LEHIGH VALLEY COMMUNITY FOUNDATION

ADVISOR CONNECTION

May 2024

Study Group Helps Professional Advisors Prepare for the Chartered Advisor in Philanthropy (CAP®) designation

Lehigh Valley Community Foundation in partnership with Cornerstone Advisors Asset Management, LLC, is again co-hosting a study group for professional advisors and nonprofit professionals pursuing The Chartered Advisor in Philanthropy® (CAP®) designation. The partnership represents a three-year commitment to help prepare area advisors for testing by the American College of Financial Services to achieve the CAP® credential. The study group was the brainchild of **Thomas J. Scalici**, CEO, and **Stephen P. Link**, Director of Philanthropic Services at Cornerstone. Thomas and Stephen were members of the first study group along with LVCF's **Erika Riddle Petrozelli**, other area professional advisors, and nonprofit leaders. The CAP® credential is for financial and nonprofit professionals specializing in philanthropic planning strategies. CAP® designees master financial details and essential interpersonal skills to guide clients and donors toward positive social impact.

"The CAP designation gives deep insight into the process of philanthropic planning, which LVCF recognizes as critical as we experience 'the great wealth transfer' and as our region's emerging philanthropists look to develop charitable goals and missions," said LVCF's **Erika Riddle Petrozelli, CPA, CAP®**. "The designation is not as popular as it should be in our area given the number wealthy families and nonprofits, so LVCF has an interest in supporting the designation and equipping advisors and nonprofits to work more effectively with their generous clients. "

The study group meets every two weeks to discuss the cross-disciplinary curriculum that spans all aspects of philanthropic planning. Working in a study group to prepare for the certification exam enhances understanding through sharing diverse perspectives and experience, fosters collaboration, and boosts motivation.

Stephen Link (l.) and Erika Riddle Petrozelli (r.) discussing the benefits of the CAP program at the Association of Fundraising Professional - Lehigh Valley event.

LVCF's **Erika Riddle Petrozelli** and **Carrie Krug Nedick**, Director of Donors Services, attained the CAP designation after participating in the study group and passing the test. Erika participated in the first year of the study group and Carrie participated in the second. To learn more about joining a future study group, contact Erika via email at: erika@lvcfoundation.org.

Erika Riddle Petrozelli Named a 2024 LVB Woman of Influence

LVCF President and CEO **Erika Riddle Petrozelli, CPA, CAP®**, was selected as one of this year's Lehigh Valley Business's Women of Influence. The designation recognizes high-achieving women for their tremendous career accomplishments. Honorees are selected based on professional experience, community involvement and a commitment to mentoring.

Erika stepped into the leadership role in January 2021, in the midst of a pandemic and racial justice movement. Through her steady leadership, the Community Foundation has achieved an immense amount over the last three years. A few of those achievements include: Developing a new strategic plan, diversifying the board, creating new messaging and marketing, implementing a new database system to increase efficiency, and leading the process to refine grantmaking platform. During the last three years, LVCF's assets have grown significantly, in addition to expanding and deepening relationships. More...

How to Talk with Your Clients About Philanthropy

Understand your clients' motivations. Advisors are used to thinking about the tax-savings or estate-planning aspects of charitable giving, but clients often approach this topic from a personal perspective. Their motivations may include creating a permanent legacy, uniting their family through shared philanthropy, or giving back to their community. You might approach this subject by asking what they hope to achieve through giving rather than starting with a technical presentation. After you've opened this dialogue, these questions can help you determine if your client's charitable aspirations merit a deeper discussion of their options.

- How important is charitable involvement to you at this point in your life?
- Are there any issues or problems facing society that have also touched your family?
- Do you have any personal goals that philanthropic giving could help accomplish?
- What causes or organizations do you support, and why?
- How would you like to be remembered? What kind of legacy do you want to leave?
- Do you want to engage your family in your philanthropy, or do you envision it as a solo project?

Help identify an appropriate vehicle for giving. At a certain level of wealth, people often want to move from "checkbook philanthropy" to a more formal giving vehicle, one that provides a more organized platform for giving as well as important tax-planning benefits. Here's a list of questions that will help you assess your client's current and future needs and determine which charitable vehicle might be the best fit.

- What motivates you to establish a charitable vehicle?
- Are you planning to include your family in your philanthropy?
- How long do you want your philanthropic legacy to continue?
- Do you want your family to retain control over your charitable assets for one or two generations, or in perpetuity?
- Is anonymity a must have? For some donations? All donations?
- Would you like to hire staff or compensate family members for their philanthropic work?
- Do you want to run your own charitable programs (for example, a coat drive)?
- In what way would you like to give to your charitable vehicle, nowand in the future? What amount would you like to start with?
- What types of assets do you plan to donate? Do you have highly appreciated personal property or real estate to contribute?
- Do you already have a relationship with your local community foundation, and have you spoken with them?

Engage clients who have an established foundation. These clients might seem to have no further need for counsel on their philanthropic needs, but even people who have run a foundation for years may have concerns and challenges you could help address. By asking the following questions about which aspects of their approach are working well and which are less satisfactory, you can engage these clients and assess their needs.

- What motivated you to start your foundation? To what extent is it living up to your original vision?
- How do you administer your foundation? Which parts of running it are easy, and which are more onerous or time-consuming?
- Do you spend more time on administration than you would like? Can you keep up with everything that needs to be done?
- When you need guidance or questions about funding, compliance, mission, governance, or grant making, whom do you consult?
- What steps have you taken to minimize the risk of compliance issues and their potential to harm your reputation?
- How do your family members engage with your foundation? To what degree would you like them to be more involved?
- Are you satisfied with the results of your grant making? Do you feel you're making a real difference
- How do you see your foundation changing in the next five years? Do you anticipate any of the following events?
  - Change in foundation leaders (for example, the next generation's assuming leadership)
  - Influx of assets to endowment from an inheritance or the sale of a business
  - Retirement of a trusted adviser or key staff member

Excerpted from "Advice for Wealth Advisers: How to Talk With Your Clients About Philanthropy," by Page Snow, published in The Chronicle of Philanthropy | July 2019

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