

Waller
Financial
Planning
Group

Legacy Press

..... LIFESTYLE & LEGACY CHOICES BY DESIGNSM

Waller Financial Tip

If something were to happen to you, do you have a plan to handle your digital assets?

“It really goes beyond the numbers; the fact that we can help people enjoy their lives is very rewarding to me.”

Chris Olsgard
CFP®, Partner & Planner

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Clyde Gosnell 2015 Odysseus Award

By: Waller Financial Planning Group

Waller Financial recently recognized the valued relationships held with clients and partners at the 2015 Odysseus Celebration. The annual ceremony celebrates clients who have dedicated themselves toward a lifetime of giving back to the community. This year’s event honored Clyde Gosnell for his relentless work ethic and philanthropic endeavors.



Clyde lives by the saying of “Caring & Sharing.” It first began in his early adolescent years where he lived on his family’s farm, working with his grandfather and helping neighboring farmers. It was there he discovered his love and passion for the natural world and the life lessons learned. Clyde considers it a great privilege to grow up in a rural environment where he learned the value of sharing with others and caring for the environment.

In 1951, Clyde fought in the Korean War. He witnessed the plight of the North Korean civilians. This is where Clyde learned that sharing and caring was engrained in his DNA. Clyde and his fellow comrades gave food and clothes to civilians as an act of mercy and compassion and were rewarded with ever lasting hugs of gratitude.

Clyde furthered his education in 1954 at the Ohio State University in the school of architecture. While working on his degree, Clyde worked for Karlsberger & Associates Architect Inc. where he focused on designing health care facilities. After a 13-year career with Karlsberger, Clyde started his own firm that eventually became Design Group Inc., which is recognized today as an award winning architectural firm. Over the years, Clyde has shared his knowledge with many, and has helped a number of friends and family members build homes, many with a natural theme, while sharing his life skills and carrying forth his mission of caring and sharing.

When Clyde discovered the Ohio Theater may be destroyed, he went on a yearlong quest with partners to make sure that it would be preserved. Clyde is proud to say that the Ohio Theater is still standing strong today.

During Clyde’s retirement, he has continued to help others. He serves and supports many charities and boards with missions of nature education and preserving natural lands. He spends 30-40 hours a week volunteering for several non-profit organizations, including Stratford Ecological Center, Friends of the Hocking Hills State Park, and Appalachia Ohio Alliance.

It was a great honor to give Clyde Gosnell the 2015 Odysseus award for his relentless passion and philanthropic work to the community around us. As a means of expressing appreciation for everything Clyde has done for our community, Waller Financial has donated to organizations cherished by Clyde. Thank you, Clyde, you have been a true inspiration to us all at Waller Financial.

For More Information about Clyde and his contributions to the community, check out our media page. <http://waller.com/media-center/>

Should You Prepay Your Funeral Expenses?

By: Jason Eliason, CFP®, ChFC®, CFA®



Given the financial nature of the decision, we have been asked numerous times if it makes sense to prepay funeral expenses. Candidly, thinking about one's funeral is not a high priority on many people's list. Our firm thinks of planning funeral expenses as an extension of estate planning. We explain to people that the financial decision related to prepaying funeral expenses is economically neutral; you are spending money today to purchase future goods and services, but you are paying today's cost.

There is not an economically compelling reason to prepay funeral expenses, but we still strongly encourage people to do so. Why? Because the true benefit of prepaying funeral costs is not related to money, but instead, not burdening your survivors with your wishes, and how you want your life to be celebrated.



If you want to get technical, funerals are more for the living. They are a time for grieving, goodbyes, and a celebration of your life. For those closest to you, your passing will be an emotionally difficult time. This period of grief is compounded by the burdens of taking care of your funeral arrangements. Survivors have told us many times about the stresses related to making arrangements. They worry most about whether you will be happy with their decisions. This makes saying goodbye much more difficult. We are advocates of prepaying funeral expenses, because it is the catalyst for *planning* your funeral; this is a significant benefit to those you love.

Most people do not want to think about their own death, let alone planning it, but doing so removes a burden from those you love. Planning your funeral can be general or quite specific. The more you plan ahead of time, the easier it will be for your loved ones. Planning involves deciding your funeral service, and if you want to be buried or cremated. You can plan other events: the viewing, whom you would like to conduct the service, pallbearers, eulogies, prayers, readings, music, etc. Although it might be troubling to think about, it will be far easier for you to write your obituary than to ask a loved one.

When you begin the planning process, make sure you are dealing with a reputable company, as you are entering into a contract. As with any contract, you need to understand the terms. Ohio law governs prepaid funeral expenses. The funeral home will either use the funds from the prepayment to purchase a paid-up life insurance policy or place the funds in a special trust fund.

Consider these points before signing a contract:

- Is the contract revocable? i.e. can you cancel the policy and get a refund?
- What happens if the funeral home goes out of business?
- Does the contract have price guarantees?
- What happens if you move out of the state?

You need to remember that not every cost can be accounted for. Many times, third-party costs are not included in the prepaid funeral packages. As with your other important documents, you need to make certain whoever is handling your affairs after death has your instructions, including a copy of the prepaid funeral arrangements.

We convey to people that prepaying funeral expenses is not a financial decision, but instead, a gift you give to your survivors. You take a burden from them, thus allowing them to celebrate your life without being troubled about what you would have wanted.

Charitable Gifts: Donor Advised Fund or Private Foundation?

By: Charlie Kerwood, CFP®, ChFC®, AEP®



We have been asked over the years by philanthropically oriented clients as to whether a Donor Advised Fund (DAF) with a community foundation or a private family foundation makes the most sense for their charitable giving. The answer? It depends on a few details of how you would like your donations maintained.

DAFs and private foundations offer similar benefits:

- The foundations facilitate organized, systematic and targeted giving;
- Investment income held within the foundation accounts are generally exempt from taxation (exception to private foundations and the 1% to 2% excise tax – see below);
- No capital gains are realized when appreciated property is donated to the foundation. Donors also may claim a full charitable deduction for the full market value of appreciated stock held in publicly traded companies or mutual funds;
- Assets transferred to the foundation are not subject to estate taxes.

Let's look at the difference between DAFs and private foundations:

Private Foundations

Private foundations are generally reserved for larger gifts of \$1 million or more.

Some advantages offered by private foundations, which are not true of DAFs are:

- Donors may make tax-deductible donations to their family foundation and still, as foundation trustees, retain control of the investment management and ultimate charitable disposition of gifts;
- Family members and others may receive reasonable compensation from the foundation in return for services rendered;
- Reasonable and direct costs of board meetings may be paid by the foundation to family members, employees and trustees.



Some disadvantages of private foundations, but not of DAFs, are:

- It may take months to establish, and require larger expenses including legal and accounting fees;
- Private foundations are subject to a 1% to 2% annual excise tax on net income, depending upon the level of grant making from year to year;
- Lower deductibility caps for deductions – public charities (such as DAFs) receive a 50% deduction for cash gifts and a 30% deduction for appreciated property. Private foundations receive 30% and 20% deductions, respectively;
- Gifts to private foundations of appreciated property are deductible on a cost basis only, while those made to DAFs are deductible at full market value;
- Must establish a foundation board, hold board meetings, record minutes, and file state and federal tax returns;
- Must distribute approximately 5% of the assets each year, as a federal mandate.

Donor Advised Funds (DAFs)

Some DAFs will allow for contributions as low as \$5,000, but rules vary from foundation to foundation, with an average donation of \$25,000.

Some advantages of creating a DAF are:

- A donor may establish a DAF immediately at a low cost;
- The DAF sponsor handles all the investment management, recordkeeping, tax receipting and grant administration;
- DAF payouts are not required on an annual basis, so although a contribution is made and a charitable deduction taken, there are no requirements for paying out the assets;
- Charitable distributions to qualified charities may be made anonymously.

Some limitations of DAFs are:

- Gifts made to a DAF are irrevocable donations to a public charity;
- Donors have only advisory privileges to grant the assets in their DAF, i.e., the charitable sponsor (generally the specific community foundation) has the authority to approve or deny the donor recommendations;
- Donors cannot recommend that charitable gifts be made to individuals;
- Donors cannot receive any goods or services in exchange for their grant, e.g., a ticket to a gala.

As you can see, there are advantages and limitations to both types of charitable funding mechanisms. The question is how much control versus how much expense a donor wishes to maintain over the assets and distributions, as well as the purpose of your charitable intent. In either event, the advisors at Waller Financial, the Lifestyle & LegacySM Company, can advise you on the right choice.

News and Notes

OSU Contest!

We are having a special contest give-a-way for two tickets to the Nov. 21 OSU vs. Michigan State game. *One lucky winner will be chosen.

Question: What saying does Clyde Gosnell live by?

***Eligibility Rules:** To participate, submit correct answer to info@waller.com. Deadline for response is **November 13** – Ineligible after date. We will contact the winner on **November 16**. Thanks for participating!

Holiday Hours

The Waller Financial Offices will be closed in observance of the following holidays:

Thanksgiving: November 26-27

Christmas: December 24-25

New Year's Day: January 1



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