



Helping Your Clients Leave a Legacy

Some individuals want to leave part or all of their estates to organizations or causes that are meaningful to them. Here are tips for estate planning attorneys to help clients think about the legacy they want to leave, connect them with the resources they need to develop their legacy giving plan, and ensure their desired beneficiaries can receive their gifts.

BY ALISON E. HELLAND

Estate planning can be a daunting process for clients. Not only does it force them to confront Benjamin Franklin's oft-cited certainties of death and taxes,¹ but the complexity of documents required can sometimes be overwhelming.

There are, however, opportunities to help clients think beyond the unpleasant aspects of estate planning and incorporate elements that are personally meaningful to them. One of these is the opportunity to decide the legacy they want to leave for their communities and the causes they support.

Starting the Conversation Around Legacy Giving

Initiating a legacy planning conversation with clients during the estate planning process is critical. While this may seem obvious, data shows that many advisors are not doing so.

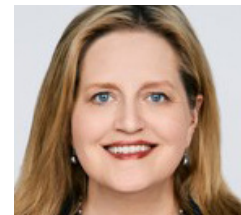
A 2018 U.S. Trust survey of high-net-worth individuals and their advisors found that 71% of high-net-worth individuals and 91% of advisors agreed that discussing philanthropy is important.² However, while 78% of professional advisors surveyed felt it was their responsibility to raise the issue of charitable giving, only 39% of advisors surveyed said they always or usually initiated conversations around philanthropy with their clients.³ When the high-net-worth individuals surveyed were asked whether their advisors always or usually initiated conversations around philanthropy with them, only 6% said yes.⁴

I have had conversations with advisors who have difficulty getting clients to engage in legacy planning discussions. While there are several great resources available to help start these conversations, sometimes it can be as

simple as reminding clients of the effect that legacy giving can have on their loved ones. As Mark Weber explains in his book, *A Spectrum of Legacies: The Gifts You Leave for Your Children and Community*, establishing a legacy giving plan can “nurture your soul by giving back to your community and inspiring your children to do the same ... [it] provides a platform for inter- and intra-generational interaction.”⁵

Identifying the Organizations and Causes a Client Wants to Support

If a client is interested in making a legacy gift but has difficulty identifying organizations or causes to support, there are many tools



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available to help them do so. Mark Weber's book includes many exercises that help donors identify their giving priorities, as does the Stanford Center on Philanthropy and Civil Society⁶ and 21/64 Next Generation Philanthropy.⁷

Community foundations can also be good resources because their staff members typically receive specialized training on helping donors determine which causes and organizations are most meaningful to them. They also have a deep knowledge of organizations in the community doing the work that clients might like to support.

Determining Which Assets to Give

If a client's estate plan includes both charitable giving and bequests to their loved ones, the types of assets the client leaves each group can make a difference for tax purposes. Public charities typically do not pay income tax on the donations they receive. However, funds that beneficiaries inherit from a traditional IRA or qualified retirement plan must typically be included in their taxable income, with most non-spouse beneficiaries of traditional IRAs being required to distribute out and pay income taxes on the date-of-death account balance within 10 years of the account holder's death, potentially pushing them into a higher tax bracket.

Life insurance proceeds, on the other hand, are typically excluded from a beneficiary's taxable income. If a client has sufficient life insurance to fund bequests to their loved ones, or if the client can purchase sufficient life insurance to fund those bequests, designating their loved ones as beneficiaries of an insurance policy may be more tax effective than leaving other assets to them. Clients can then use those other assets to support their selected charities, so long as those organizations are able to accept and manage them.

Special Considerations Involving Gifts of Non-Cash Assets

Non-cash gifts can provide clients with unique and tax-efficient opportunities. But

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As you help your clients leave a legacy, or consider your own options, please remember that the Wisconsin Law Foundation, the charitable arm of the State Bar of Wisconsin, accepts Legacy Gifts.

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These decisions are best made in consultation with your estate planning and financial adviser.

Your generosity strengthens impactful programs across Wisconsin. Our team is ready to help. Please contact us with questions at (800) 4449404 ext. 6171 or for more information, visit Wisconsin Law Foundation at www.wisbar.org/aboutus/WisconsinLawFoundation/Pages/homepage.aspx.

And if this isn't the right time for you to consider a legacy gift, you can always support the Foundation's efforts at wisbar.org/wlfdonate. We will always be grateful. **WL**



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they also can pose challenges. Anticipating and addressing these challenges up front can minimize the risk of unwanted delays in processing a client's gifts and ensure that the client can meet both philanthropic and tax-planning goals.

If a client wants to give a non-cash asset to a charitable organization, here are some crucial questions to ask that organization beforehand:

1. "Will you be able to accept and manage this type of gift?"

Charitable organizations vary in their ability to accept and manage non-cash gifts. Some may have capacity to handle a wide range of assets, including publicly traded securities, real estate holdings, and tangible personal property (for example, cars, artwork, or collectibles). Others may

have more limited capacity or may specialize in managing particular types of assets aligned with their mission.

Before contacting the intended charitable recipient of the client's gift, you may want to visit the organization's website to find out whether the organization has posted its gift-acceptance policy. An organization's gift-acceptance policy will provide you with a basic understanding of the review and acceptance process for different asset types, as well as any asset types the nonprofit will not accept.

2. "Will you need additional information to evaluate this gift before accepting it?"

You should clarify what additional information (if any) the organization will need to evaluate your client's gift before

acceptance. The information required generally depends on the complexity of the gift.

Gifts of non-cash assets are typically categorized as either noncomplex or complex gifts. Noncomplex gifts are assets that are both easy to value and easy to sell, such as publicly traded stock and mutual fund shares. Complex gifts are typically assets that require more active management, are more difficult to value, or carry a higher potential risk of liability.

Complex gifts generally require more scrutiny than noncomplex gifts. For example, before receiving a gift of real estate, an organization will likely want to confirm that the donor has clear title to it, review or request an environmental site assessment for it (if applicable), and arrange for its own appraisal of the property. Before receiving a gift of closely held business interests, an organization will likely want to review any documents placing restrictions on those

interests (buy-sell agreements, partnership-shareholder agreements, existing options to purchase, and so on).

3. “Will my client be expected to pay any costs associated with your review and acceptance of the gift?”

The review and acceptance process for a complex gift may involve additional expenses, such as preparation of appraisals and legal review to ensure compliance with regulatory requirements and to protect the organization’s interests. The attorney or advisor should ask the recipient organization whether it will incur additional expenses in performing their due diligence for the gift and, if so, ensure there is a mechanism in place for payment of these expenses.

Final Thoughts

Legacy planning can be a bright spot for clients during the estate planning process. By encouraging them to think about the legacy they want to leave,

connecting them with the resources they need to develop their legacy giving plan, and ensuring their desired beneficiaries can receive their gifts, you can empower them to make an impact that will endure for years to come. **WL**

ENDNOTES

¹Letter from Benjamin Franklin to Jean-Baptiste Leroy (Nov. 13, 1789) (“...dans ce monde, il n’y a rien d’assuré que la mort et les impôts.”).

²The Philanthropic Initiative, Executive Summary: The U.S. Trust Study of The Philanthropic Conversation (2018), https://tpi.org/wp-content/uploads/2020/01/tpi-u.s._trust_study_of_the_philanthropic_conversation_-_2018_executive_summary_-_tpi_branding.pdf.

³*Id.*

⁴*Id.*

⁵Mark Weber, *A Spectrum of Legacies: The Gifts You Leave for Your Children and Community* (Vinton Street Press 2021).

⁶Stanford PACS, *Publications & Resources*, <https://pacscenter.stanford.edu/research/effective-philanthropy-learning-initiative/tools-prototypes/> (last visited April 2, 2026).

⁷21/64, *Tools*, <https://2164.net/tools/> (last visited April 2, 2026). **WL**

One Piece of Their Past

One Piece of Their Legacy

LIFE IS A RICH, COMPLEX STORY.

UW–Madison played an important part in who your client is today – but it’s just one part of them. You know there are so many things they’ll want to care for as they plan their legacy: their loved ones, their values, their hopes for future generations. With the right team on your side, you can help them do it all.

When your client is ready to make their estate plan, our Office of Gift Planning is here to talk with them about their goals and options – so you can help them honor every part of their story, including the UW.

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