



Douglas
County
Community
Foundation

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Financial Advisor News

August 2020

Keep clients informed about stress on the social sector



Peter Drucker once wrote, “Only the social sector — that is, the nongovernmental, nonprofit organization — can create what we now need, communities for citizens.” Charitable giving is an important component of American society. In 2019, for example, total giving by individuals (including bequests), foundations and corporations reached nearly \$450 billion, according to Giving USA 2020: The Annual Report on Philanthropy for the Year 2019, released this summer.

Unfortunately, COVID-19 is taking its toll on nonprofit organizations and philanthropic institutions. In a report recently released by Deloitte’s Monitor Institute, the writers offer their predictions for how charities will fare, depending on how the pandemic — and our response to it — play out. Early evidence shows that total 2020 giving will decline significantly. According to the Chronicle of Philanthropy, giving declined six percent during the first quarter of 2020, which translates to \$5 billion in lost revenue to nonprofit organizations.

One of the most important ways you can help your clients support the charities they care about is to do everything you can to keep clients informed about the increasing challenges faced by the social sector. We encourage you to reach out to us at the Douglas County Community Foundation to answer questions and provide resources to share with your clients to help them help the causes they love.

Advocacy efforts accelerate and expand to help communities

A silver lining of the pandemic and struggling economy is an unprecedented effort by philanthropic leaders to ensure that communities stay supported through fiscal and tax incentives for nonprofits and charitable giving. We encourage you to seek out and share examples of what’s going on in the philanthropic sector to help ease the burden of COVID-19. For instance:

- A letter from the Council on Foundations to Congressional Leaders in advance of future relief packages, encouraging the inclusion of provisions to enhance charitable giving, increase support for nonprofits, and help state and local governments.
- A tremendous response from community foundations across the country, encouraging donors to activate donor-advised funds to support causes in the community that can provide immediate and direct assistance to those most affected by the pandemic.
- Increasing interest in mutual aid organizations, which is fueling grassroots response to people in need across the country.

In short, the spirit of philanthropy is alive and well. Sharing this with your clients will help build the momentum and expand the impact of charitable giving during this time of crisis.



IRS ruling helps employers and employees help pandemic victims



In Notice 2020-46, the IRS said compensation treatment will not be triggered when an employer makes cash payments to a charitable organization based on employees' forgoing vacation, personal, or sick days. So-called "leave donation programs" are becoming popular ways for employees to make meaningful contributions to organizations in need. To qualify, an employer's payments must benefit victims in that geographic area, and payments must be made in 2020. The foregone leave won't be treated as gross income to employees. Furthermore, the employer may deduct the payments as a charitable contribution or business expense, if otherwise eligible.



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