



Annette Vetterick

## Annette Vetterick

With Hadley's centennial around the corner, we are revisiting the events and people that have been instrumental to Hadley's growth and success.

Hadley has been fortunate to attract and retain many talented and devoted staff members throughout its history. Annette Vetterick was one of these exceptional people.

Annette started working at Hadley in 1937, at age 19. At that time, the school occupied just one room, an office in the Winnetka Community House in Winnetka, IL.

Starting as the Assistant to the President, Annette's roles and responsibilities expanded throughout her tenure to include librarian, registrar, bookkeeper, braille transcriber, typing teacher, and business manager.

After serving Hadley for more than 45 years, Annette retired in 1983, the year before her death.

Dr. Robert J. Winn, President of Hadley at the time, observed, "Mrs. Vetterick is removed only physically from us. She lives on in countless aspects of our School, where her good work and loving influence will benefit our students throughout the world for years and years to come."

## Good Neighbors... continued from cover

Jack is also a member of Hadley's Clarence Boyd Jones Society. In recognition of Clarence Boyd Jones, a key supporter and first chairman of Hadley's Board of Trustees, this society honors those who are ensuring free learning for visually impaired individuals by safeguarding the future of Hadley through a planned gift.

Hadley is grateful for donors like Jack. And, we know, he is making his neighbor proud.



Jack and Gus

**Hadley 2020**  
A century of seeing  
new possibilities

700 ELM STREET, WINNETKA, IL 60093  
800.323.4238 • HADLEY.EDU  
ADDRESS SERVICE REQUESTED

### PHILANTHROPY ADVISORY COUNCIL

Promoting the growth and strength of Hadley's planned philanthropy program, these financial and legal professionals lend their time and expertise working with staff and donors through their advisors.

<b>Alex Drapatsky</b> Astor Law Group, P.C.	<b>William T. McClain</b> 401K Advisors, LLC	<b>Alan Spigelman</b> RSM US LLP
<b>Regina "Ricki" Harris</b> COLLECTION STRATEGIES, LLC	<b>Janet Rae Montgomery</b> Daluga, Boland & Montgomery LLC	<b>Linda J. Stephens</b> Graystone Consulting
<b>Louis S. Harrison</b> Harrison & Held, LLP	<b>Teresa Nuccio</b> Harrison & Held, LLP	<b>Denise C. Whennen</b> CIBC Private Wealth Management
<b>Karen Harvey</b> The Harvey Law Office	<b>Raymond C. Odom</b> Northern Trust	<b>David Witt (Co-chair)</b> Pasquesi Sheppard LLC
<b>Julie Hendricks</b> BMO Financial Group	<b>Julie S. Pleshivoy</b> Taff Stettinius & Hollister LLP	<b>Julie S. Tye</b> Hadley
<b>Marc J. Leaf</b> Law Offices of Marc J. Leaf, P.C.	<b>Jagriff Ruparel</b> Merrill Lynch Wealth Management	<b>Brooke Voss</b> Hadley
<b>Pamela Lucina</b> Northern Trust	<b>Stacy E. Singer</b> Northern Trust	
<b>Katarinna McBride (Co-chair)</b> Harrison & Held, LLP		

# foresight

ACHIEVE YOUR GOALS THROUGH PHILANTHROPIC PLANNING

HADLEY INSTITUTE  
FOR THE BLIND AND  
VISUALLY IMPAIRED  
SPRING 2019

## Good Neighbors Lead to a Legacy of Giving



Jack Goggin

Jack Goggin first learned about Hadley from his Northfield, IL neighbor, Annette Vetterick, a longtime and beloved Hadley employee (see inside). Since making his initial gift to Hadley more than 40 years ago in her honor, Jack has been a steady supporter with Hadley among the dozen or so organizations that benefit from his generosity. His chosen causes reflect his caring nature and desire to help people, animals and the environment.

Hailing from Ossian, IA, Jack earned his college degree at Grinnell and graduate degree at the University of Iowa. He then made his way to Chicago, where he spent most of his

30-year advertising career working at top agencies and publications including the Chicago Tribune and TV Guide. Now retired and living in Lincolnshire, IL, Jack stays active golfing and playing tennis in the warmer months. He is an avid reader throughout the year, typically, with his cat, Gus, by his side.

Hadley's mission became more personal to Jack a few years ago when he experienced a series of eye infections. Living with compromised vision for several months gave him first-hand understanding of the challenges of visual impairment.

In recent years, Jack has learned more about Hadley by taking part in our events in the Chicago area—such as the annual Student Award ceremony and Hadley's iFocus presentation at Chicago's Apple store last spring. He is a strong believer in Hadley's mission and appreciates the "important work Hadley is doing to provide needed tools and resources to help those who have been denied their eyesight."

See Good Neighbors inside...

# Tailoring Private Foundations and Donor Advised Funds to Your Needs

One of the most frustrating experiences is putting on clothing that doesn't fit. By the time you alter it so the waistband isn't too tight or the shoulders aren't hanging off of you, the utility and cost of the clothing may surpass its need or desirability. Often new clothes are not as comfortable as the ones we have.

There are so many exciting tools being used to make charitable gifts today. And we are being encouraged to explore all of these options and make new choices. But with all of the vehicles for gifting, such as private foundations, donor advised funds, charitable trusts, gifts from IRAs, and testamentary gifts, how do we pick the one that fits?

Let's try on private foundations and donor advised funds, and explore the different ways we may use them or alter them to our exact measurements, in a way that is comfortable.

## PRIVATE FOUNDATIONS

A private foundation, sometimes referred to as a family foundation, is a popular choice for a donor or a family that wishes to make charitable gifts today, but determine which particular charity to give the gifts to at a later date on an annual basis. In a way, a private foundation permits donors to make tax-deductible donations in one

year and still control the investment and management of the funds/gifts as well as the charitable disposition in future years. Donors do not pay capital gains on assets gifted to a private foundation. Further, donors obtain an income tax deduction for gifts to private foundations, subject to limitations that are rarely applicable to most donors.

For the sake of completeness, we mention them here: the charitable deduction limitations for one year are 20% or 30% of the donor's adjusted gross income for gifts to that donor's family foundation, for example.

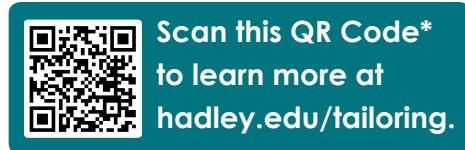
Private foundations are not established for solely their tax benefits. They are often used to design or to continue a gifting program or create a culture of philanthropy, and may involve other generations of family members, key employees, close advisors and friends. They are a way to allow the family to operate as a family in a productive, important and enjoyable fashion.

A private foundation may be organized as a not-for-profit corporation or as a trust. The most common question regarding the structure of the private foundation is often, "which one is easier to administer and more cost

effective?" Understanding these options is the key to finding the proper fit. **To learn more, visit [hadley.edu/tailoring](http://hadley.edu/tailoring).**

## DONOR ADVISED FUNDS

The donor advised fund ("DAF") has become an increasingly popular tool and substitute for what some donors regard as the administrative hassle of a family foundation. (For the record, we do not believe administering a foundation is a hassle.)



A DAF is a 501(c)(3) charitable organization, commonly housed at investment firms (Fidelity, Goldman, Schwab, Vanguard), community foundations (Chicago Community Trust), and individual charities. In addition to cash, DAFs typically accept gifts of appreciated securities. Some DAFs accept other types of non-cash gifts, such as real estate, business interests and intangible property, and proceed to sell or liquidate those assets.

As with private foundations, DAF donors are able to plan to maximize tax savings by front-loading a gift in a high income year, while being able to identify the charitable beneficiaries at a later date, even in the next year.

The tax law changes made under the Tax Cuts and Jobs Act ("the Act") have raised the charitable contribution deduction to 60% for gifts of cash made to a DAF (gifts

of appreciated property remain deductible at 30%). But the Act has also significantly raised the standard deduction (now \$24,000 for married filers), which has made it more difficult for taxpayers to itemize and use their charitable deductions. Donors have responded by "bunching" their charitable donations.

Bunching is a strategy in which the donor combines the gift that would be made over a period of multiple years into a gift made in a single tax year, so that they may itemize deductions under the new tax law. Both private foundations and DAFs are handy for bunching because the taxpayer can make the donation to either one in year one, to get the deduction, and then make gifts from the private foundation or DAF to qualifying tax-exempt organizations over multiple years. For the charities, this prevents the feast or famine result, because the charities will continue to receive their funding as they normally would, over a period of years.

Administration of the DAF is through and by a third party. All the donor and the donor's family or successors (as allowed by the DAF) are required to do is to make "requests" from the DAF identifying which charities they seek to benefit from year to year. That then becomes an important distinction between a private foundation and a DAF: once the donor makes a gift to a DAF, they give up control over the gift. The donor makes those written requests (a form is supplied by the

DAF) as to how much and which charity should benefit, but the DAF is not legally obligated to follow the donor's recommendation. The donor has lost the power to 'direct' where the gift goes. But, this is often a legal distinction rather than a practical distinction. In reality, the DAF almost always abides by the donor's wishes, as long as the intended recipient is a qualifying tax-exempt organization.

Other benefits of a DAF:

1. A DAF is an effective privacy shield. Once you make a gift to the DAF, the later gifts made to tax-exempt organizations may be completely anonymous. Another option is to name the DAF after your family or a cause that is important to you, such as "Smith Family Charitable Fund" or "Vision Support Foundation" and make gifts under that name.
2. A DAF is not only a lifetime giving vehicle, but the donor may decide to which organizations and for which purposes gifts are to be directed at or after their death (a private foundation may do the same). The DAF may survive the donor for many years. A donor may leave a gift to their DAF in their will or their trust, and the DAF will continue the gifting legacy of the donor. A donor may name family members or others to provide direction and carry on their charitable legacy after their death.

As to private foundations versus donor advised funds, the primary differences come down to control and flexibility.

With new styles of giving, there are many options to explore, and some will be a better fit than others.

**\* Open the camera app on your smart phone, hold the device's camera up to the QR code and tap the notification!**

## Be a Part of Hadley's Continuing Legacy: The Clarence Boyd Jones Society

Donors who have made a provision for Hadley in their estate plan are eligible to join the Clarence Boyd Jones Society. This may be done by:

### 1. Including Hadley in your will or trust

- Suggested wording to share with your attorney: I give \_\_\_\_\_% or \$\_\_\_\_\_ to Hadley Institute for the Blind and Visually Impaired, an Illinois non-profit corporation located at 700 Elm Street, Winnetka, IL 60093, EIN #36-2183809.

### 2. Designating Hadley as a beneficiary

- You can use an IRA, life insurance policy, annuity or any other instrument that allows you to designate a beneficiary.
- Simply request and fill out a "change of beneficiary" form from the appropriate provider.
- You could name Hadley a full, partial or contingent beneficiary with the designated amount being tax-free.

Or, you may choose to discuss additional options with your financial advisor or attorney.

Please let us know if you plan to leave a legacy at Hadley so we can thank you and welcome you to the Clarence Boyd Jones Society.

For more information on making a gift to Hadley, please contact Brooke Voss, Chief Development Officer, at 847.784.2774 or send an email to [brooke@hadley.edu](mailto:brooke@hadley.edu).

Louis S. Harrison, Partner  
Harrison & Held, LLC  
312.332.5440 | [lharrison@harrisonheld.com](mailto:lharrison@harrisonheld.com)



Katarinna McBride, Partner/Member  
Harrison & Held, LLC  
312.621.5240 | [kmcbride@harrisonheld.com](mailto:kmcbride@harrisonheld.com)

