

# Billings Community Foundation

*Serving the Greater Yellowstone Region*

## 2016

## Fall Newsletter



### President's Letter



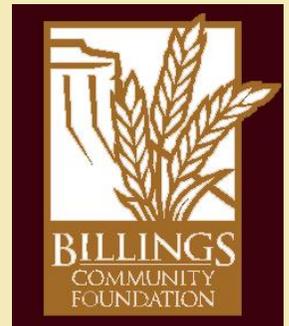
As I write this board President's letter on Halloween day, the thought occurs to me that this year has been one of positive transition and growth for BCF. The only gremlin encountered was the software issues on Give Local day! We have recently increased our ability to provide a more consistent level of service by hiring Lisa Laliberte', whom you will meet later in this newsletter.

2016 is BCF's tenth year of operations. As we look out over the horizon at the next ten years, we have in our strategic plan the hiring of our

### About BCF

Billings Community Foundation is a nonprofit, tax-exempt community

foundation governed by local citizens promoting philanthropy and charitable giving. Our mission is to enhance the capacity of donors and charitable organizations to meet the needs of the greater Billings community. Visit our [website](#) to learn more.



first executive director and the addition of new board members from around this southeastern region of Montana who are committed to helping us keep this effort going. Efforts are underway to put a funding plan in place for an executive director - stay tuned - this is a little scary!

Another thing that would be scary is passing up the opportunity to take advantage of the generous 40% Montana tax credit for gifts to permanent endowments before year end...more information to follow in this newsletter.

The bottom line for the hardworking board of directors of BCF and our new staff person is to be accessible, accountable, consistent, friendly and responsive in providing the services our regional nonprofits and donors tell us they need to help them grow their own capacity to serve. Look for some new and exciting initiatives in 2017. In the interim, thank you for the trust you have placed in BCF. On behalf of the board, we hope you and your families enjoy a wonderful holiday season.

Teresa Darnielle-Morse

## Give Local - Save the Date! May 4, 2017



As reported in the BCF Summer Newsletter, \$34,262 was raised for regional nonprofits through BCF's "2016 Give Local" event. On November 1st, representatives of all 61 nonprofits who participated in 2016 were invited to join in a discussion of options for 2017. BCF hosted about 30 people at Billings Public Library, and there was enthusiasm for continuing to use a Give Local event as a way to encourage nonprofits and businesses to work together for the benefit of our region.

BCF shared information on options that had been put together by our sister community Foundations in Montana. There are advantages to having all Montana Community Foundations work together on this. Bozeman and Missoula welcome our participation and especially enjoy the competitive atmosphere. By joining together

## Billings Community Foundation To provide Fiscal Sponsorship to Billings Artspace Project

In keeping with its mission to promote philanthropic giving and community development, **Billings Community Foundation** is happy to announce our support, through Fiscal Sponsorship, of The Billings Artspace Project Task Force's plan to build a facility that will provide affordable live/work space and public space for use by the public and non-profit organizations in downtown Billings.

The Artspace Project Taskforce is working to team up with the nation's leader in non-profit real estate development for the arts, Artspace, Inc. out of Minneapolis, MN. Artspace, Inc. has almost 30 years of experience working in partnership with communities around the United States in development of 41 Artspace Projects, totaling over 1,400 live/work units and over 3,440,992 Sq. Ft. of combined live/work and public space, with a 100% success level.

Emerging and established artists, an important part of any community's work force, have a need for affordable living and studio space. Most artists can't afford both. A community partnership with Artspace, Inc. will help Billings address their needs as well as help encourage similar creative development in Billings. While priority is given to artists and those committed to the arts, application for housing is also available to anyone who qualifies for affordable housing. According to the Billings Housing Authority, there is a back log of nearly 100 families in need of affordable housing. A Billings Artspace project would provide up to 45 units of live/work spaces in the downtown area. Artspace projects are as close as Minot, North Dakota and Loveland, Colorado. A Billings Artspace project would establish Billings as a leader and model for the use of creative housing, community development and revitalization in Montana.

Fiscal Sponsorship is a way for community-minded groups working on one time projects or events, such as the construction of affordable living space, to do so without having to go through the time and expense of becoming a non-profit organization. Fiscal sponsorship allows the project to accept donations from the public, and at the same time, allows those donors to enjoy a charitable deduction on their taxes if they wish. Donations are received through **Billings Community Foundation** and dispersed in line with IRS rules for the project and in

using a new platform, there are price breaks. At this point, the discussion is focusing on using [GiveGab](#) as the platform provider for an event on May 4, 2017. A Steering Committee has been established for more discussion.

At this time, members of the Steering Committee for Give Local 2017 include: Morgan Gastineau, Teresa Darnielle, Denise Smith, Chris Anderson, Kelsey Dwyer, McCall Link, Felicia Burg, Ralph Spence, Emilee Meyer, Lisa Olmsted, Tera Clough, Stephanie Bond and Jack Nichols. We are excited about how much can be accomplished with this great group of nonprofit leaders and BCF will provide updates on planning activities in the months ahead.

Thanks to Lisa Perry, who donated file cabinets and chairs to our office!



## Spotlight On Our Grantees - Big Brothers and Big Sisters of Yellowstone County

Big Brothers and Big Sisters of Yellowstone County were the recipients of a 2016 Grant of \$1,000 for their Lunch Buddies program.

The Lunch Buddies Program pairs an adult from the community with an elementary school child. The Big visits the Little once or twice a week during the lunch period at school. When summer comes, BBBS helps the Big to arrange lunches with the Little.

**Meet some of the Bigs and Littles!**

line with the purpose of the project being sponsored. This is the second Fiscal Sponsorship **BCF** has provided in the community. The first was for the Bill's Buffalo sculpture project currently in place on the roundabout at the Billings International Airport.

For more information about Billings Artspace Project visit their website at: [www.billingsartspaceproject.com](http://www.billingsartspaceproject.com)

Or visit them on Facebook:

<https://www.facebook.com/BillingsArtspaceProject/>

## YEAR END TAX PLANNING - 2016

With end of the year approaching at great speed, it is again time for a quick review of options to cut tax liabilities for 2016 by gifting to donor chosen charities. Billings Community Foundation (BCF) can help you realize these planning efforts. The effect of taking advantage of the 40% Montana income tax credit on your Montana income tax return will be to receive a tax credit on you Montana state tax liability of the lesser of \$10,000 (\$20,000 on a joint return) or your 2016 income tax liability. Taking advantage of the tax credit will reduce your out-of-pocket costs. Your charity will eventually receive the endowment income on that gift in perpetuity to be used for operations. The tax savings, state and federal, will permanently increase the endowment assets and income of your charity rather than being paid to tax collectors. This allows the income to be used locally for the important purpose of your charity forever.

### Other options:

(1) Talk to your investment advisor about "harvesting" tax savings by selling stocks that are selling below their cost. Offset gains realized in 2016, and deduct up to \$3,000 of resulting losses on your federal tax returns. The tax savings on the loss frequently exceed any gain or dividend likely to be received from these investments. A dollar saved is a dollar earned!

(2) If you own highly appreciated stocks, consider transferring some of those shares to BCF for purchase of a Billings Community Foundation Charitable Gift Annuity to eventually benefit the permanent endowments and programs of your chosen charities. You escape federal and state



Scott and Malakai have been matched since October of 2014. Scott the Big Brother is matched with his Little Brother Malakai who adores Scott. Scott comes to school twice a week to spend time with Malakai. Scott has helped his Little Brother with his school work and has been a great friend to play with at recess



time

Jadon the Little Brother and Kelsey the Big Sister are a new match as they were just matched this month! Jadon specifically requested a Big Sister as he wanted someone he could talk to, a lot, as Jadon loves to talk and is an active child who loves to have fun. Kelsey likes to spend time with Jadon to work with him on his speech, as she hopes to obtain her Masters in Speech Pathology.

## Looking for Community Sponsors!

Billings Community Foundation is seeking community-minded individuals and organizations to support our efforts to provide

capital gains tax liability approximating 24% of those capital gains. A great federal tax charitable deduction will reduce your 2016 tax liabilities. Also, an additional State tax credit of \$10,000 per taxpayer (\$20,000 for joint filers), not to exceed the 2016 Montana income tax liability of the donor(s), will greatly reduce your 2016 Montana taxes. Call BCF to explore the opportunity offered. Planned gifts must benefit the permanent endowment of qualified Montana nonprofit charities.

(3) Last December, congress made permanent a law that allows seniors age 70½ years and older to donate by transferring up to \$100,000 from their IRAs directly to charity. The contribution counts toward your required annual minimum distribution and isn't included in your adjusted gross federal income for the year in which the transfer occurs. That could qualify you for tax breaks tied to your AGI and reduce or eliminate taxes on your Social Security benefits. Although you can transfer up to \$100,000 from your IRA, even small donations will lower your AGI. It will also avoid the 3.8% Medicaid surcharge on IRA personally received withdrawals beginning in 2016. It is a useful tax break for seniors who no longer have enough deductions to itemize. BCF will hold the endowments for the charities as directed by the Donor.

(4) Cash gifts to endowment accounts, perhaps as tax deductible memorial gifts or honorariums on birthdays, anniversaries, etc., are welcomed as BCF helps donors support favorite charities. Gifts generating large deductions can be used in converting IRA balances into Roth IRAs with great future income tax savings.

(5) With currently low interest rates many tax wise donors are transferring their home(s) to organizations like Billings Community Foundation to be held as permanent endowment for the charity designated by the owner. The donor reserves the right to live in the home for life or, if forced by circumstances to move to assisted living or nursing home care, to rent the home and use the rental income to offset cost of the assisted living. The owner of the transferred home pays taxes, insurance and maintenance costs on the property for his or her lifetime. The value of the "remainderman's interest" is high due to current low interest rates. The donor's charitable tax deduction for the current value of the remainder interest in the home, that will be sold at the death of the last surviving donor, will be substantial. Many donors use that deduction to offset the distribution of balances from their taxable IRA accounts into nontaxable Roth IRA accounts. At death, BCF sells

grants to nonprofits in our region. We are specifically seeking support at the \$1,000 level through advertising funds, an outright gift, or donation of in-kind services of that value. Your sponsorship turns into additional granting dollars for BCF!

Community Sponsors receive:

- Recognition as a Community Sponsor in all BCF Newsletters for one year
- Recognition as a Community Sponsor on the BCF website for one year
- Complimentary tickets to the BCF Annual Awards Dinner
- Recognition as a Community Sponsor at the BCF Annual Awards Dinner

This is a great opportunity for you or your business to be connected with BCF, a nonprofit, tax-exempt, innovative community fund. Your sponsorship would give BCF an increased ability to fund grants to more nonprofits, doing important work in our community. For more information, please call 839-3334 or send an email to:

[billingscommunityfoundation@gmail.com](mailto:billingscommunityfoundation@gmail.com)

## How Can We Serve You?

BCF can help individuals facilitate tax advantaged giving and serve as your private foundation to manage the distribution of gifts by helping you to :Utilize the **MT Tax Credit** to benefit the nonprofit of your choice, establish a **Donor Advised Fund** to get deductions today for future giving,use **BCF's Grant Process** to identify local giving opportunities and needs, establish a **Scholarship Fund** for distributions based on your criteria, **make a gift to** an existing fund that already targets your area of interest,and **discuss options and strategies** to assist with your estate planning needs.

For your Organizations, BCF can **Create a fund** for donors who prefer giving to endowment over operations, Give supporters the option of having a **"third party"** oversee their donations,apply for a **Grant** to receive support from one of our existing funds,establish a **"transferable" endowment** fund you can control in the future.

the property and the proceeds fund an endowment account for the donor's chosen charities or charitable purposes.

Contact BCF for further information, if you or someone you know can benefit from the above tax strategies that will benefit you and your favorite charity.

## Meet Our New Staff



Lisa Laliberte' joined BCF in October. She is originally from Texas, but has lived in Arizona for the last 25 years. What brings her to Billings? She has been a Montanan by adoption since she married 40 years ago. Her mother and father-in-law live in Billings,and she and her husband lived in Hardin for some years. Montana is so beautiful, where else would she and her husband retire?!

So keep an eye and an ear out for her when you email and call. She looks forward to getting to know everyone and learning more about how she can help BCF serve you!

## Call for New Board Members - Join in our Mission ...

*to enhance the capacity of donors and charitable organizations to meet the needs of the greater Yellowstone Region of Montana*

Billings Community Foundation is looking for interested community volunteers to become "members at large" Board Members.

BCF has upcoming openings and invites those interested in encouraging the growth and strength of local community endowment funds to send an email of inquiry to

## Board of Trustees

Teresa Darnielle-Morse  
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Don Roberts  
*Vice President*

Val Jeffries  
*Secretary/Treasurer*

Obert Udem  
*Vice President, Planned Giving*

Teresa Darnielle-Morse  
*Assistant Vice President, Planned Giving*

Don Allen  
Joy L. Culver  
Jim Foley  
Jack Nickels  
Ralph Spence

## Advisory Board

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Sarie Mackay

Lynda Moss

Lisa Reid Perry

Melanie Schwarz

Colleen Weast

## BCF Donor Advised Funds Reduce Taxes Now for Future Giving

If you want to reduce your taxable income through charitable giving, but have not decided where to give, open a BCF Donor Advised Fund before year-end. A gift to a Donor Advised Fund (DAF) allows you to deduct your total gift from taxation, in the year given, while deferring designation of a recipient to future years. This gives you more time to identify the best nonprofit to reward with your gift and allows you to be more thoughtful in the overall stewardship of your resources.

Once you have set up a DAF and made your donation, gifts can be made in future years to any 501(c)(3) you recommend. BCF can also assist you with identifying worthy recipients in our region of Montana, if you designate a gift amount to be distributed through BCF's Grant Program. Each year BCF receives 50 or more grant requests from regional nonprofits for specific projects and special needs. Grants range from \$500 to \$5,000 and usually less than half receive funding. A grant from your DAF could be included if you wish to utilize BCF's selection process.

If you let us know how much you want to give, a recipient will be chosen in our competitive grant selection process. Then a grant in the name of your DAF will be presented, along with grants from other BCF funds, at our Annual Grant Awards Dinner. This is great way to make sure your gift brings the most benefit to our community and region.

Contact us before year-end for more information

Are you interested  
in more information?

Do you want to get involved with BCF?

Please contact us!

**Billings Community Foundation**

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406-839-3334

## 2016 Community Sponsors



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CPAs & BUSINESS ADVISORS



ROCKY MOUNTAIN  
COLLEGE

