TEXAS TECH UNIVERSITY
Department *of* Personal Financial Planning

PFP 5326: Advanced Charitable Planning

Spring 2017 online

Instructor: Russell James
Office: Human Science Building 248A
Office Hours: Tuesday 9-noon and by appointment
Phone: 806.834.5130
E-mail: russell.james@ttu.edu [Course-related questions should be posted on the Questions & Comments section of the blackboard discussion board, so that answers will benefit all students.]

Required and Recommended Texts/Materials:

- *Visual planned giving: An introduction to the law and taxation of charitable gift planning.* Russell James, J.D., Ph.D., ISBN-13: 9780615986272
- Additional material provided electronically during the semester

Course Description and Purpose:

This course reviews sophisticated charitable planning techniques with a special emphasis on creative uses of private foundations, donor advised funds, charitable remainder trusts, and advanced charitable estate planning techniques. Emphasis will be on simultaneous use of multiple planning techniques in a large transaction context to maximize tax benefits, donor control, and nonprofit benefit. Financial analysis of nonprofit organization strength and effectiveness will also be covered. Previously taking PFP 5325 Introduction to Charitable Planning may be helpful but is not a prerequisite.

Expected Learning Outcomes:

Upon completion of this course, students will be able to:

1. Explain the outcomes from simultaneous use of multiple planning instruments such as charitable remainder trusts, charitable leads trusts, family limited partnership, multi-generational dynasty trusts, and irrevocable life insurance trusts.
2. Describe the characteristics and concerns typical in every stage of the charitable trust or foundation including planning, establishment, operation, and termination.
3. Aid donors in evaluating their ultimate philanthropic impact through the analysis of nonprofit recipient organizations and potential giving methods.
4. Incorporate donor values into long-term plans that will communicate and encourage those values for descendants and/or others in future generations.
5. Understand the potential donor and nonprofit benefits from the use of sophisticated charitable planning devices.
6. Understand the special requirements for planning with complex assets such as closely held business interests and qualified retirement plans.
7. Identify special regulations and risks in making gifts to non-US philanthropic organizations.

8. Identify when sophisticated charitable planning techniques are and are not appropriate for clients with differing goals and financial circumstances.
9. Demonstrate the ability to communicate sophisticated charitable planning options with clients in an accurate, understandable, and motivational manner.

Methods of Assessment of Learning Outcomes:
Methods used will include: Participation, exams, excel assignments, development of an individualized donor proposal, quizzes, and in and out-of-class assignments.

Communicating with the Professor:
I plan to be available during office hours on Tuesday morning and typically the rest of the day on Tuesday. Please post any course related questions to the Questions & Comments section of the blackboard discussion board, so that answers will benefit all students. It is my goal that all such questions will receive a complete and correct response **within 48 hours**, excluding weekends. If you wish to set up a time to chat on blackboard, talk on the phone, or skype via internet, please contact me with times you are available during office hours if possible, or other times on Tuesday if possible, or, if those options are not possible, then other times during normal business hours.

Late Work Policy & Attendance:
All assignments and quizzes are due on Tuesdays at 4:00 pm Central time. Late assignments and quizzes submitted between 4:01 p.m. Tuesday and 11:59 pm Wednesday receive a 10% grade reduction. Each additional 24 hour period after Wednesday at 11:59 pm results in an additional 10% grade reduction up to 50% total reduction. Any assignments or quizzes submitted after midnight on the Tuesday on week after their original due date will be receive a 50% grade reduction.

Assignments/ Projects/ Quizzes:
Assignments may be assigned at any time during the semester. Assignments will include both in-class group assignments and those assigned as homework, and may include additional assigned readings and article critiques.

Articles relating to discussions in class may be assigned and will be posted to Blackboard. You are expected to read these articles in addition to the textbook readings due for the particular class period.

Participation:
You may receive extra credit of up to 5% for completely and correctly answering student questions posted on the "Questions and Comments" bulletin board on blackboard or for being the first to correct a substantive error in a quiz question.

Grading Information:
Your percentage score for quizzes, assignments, or participation is the sum of the percentage scores on each quiz, assignment, or day of participation divided by the total number of quizzes, assignments or days of participation.

Grading structure:

10%: Open-note online quizzes (unlimited attempts)
15%: Open-note online exams (one-shot)
25%: Worksheets and other assignments excluding creative posting assignments
50%: Creative postings (10%: your initial postings; 10%: your commentary on others' creative postings; 30%: your final revised postings)

You may also get extra credit of up to 5% for completely and correctly answering student questions posted on the "Questions and Comments" bulletin board on blackboard or for being the first to correct a substantive error in a quiz question.

Final Grades will be determined by the following schedule:

A: 90% +
B: 80% to <90%
C: 70% to <80%
D: 60% to <70%
F: <60%

ADA Compliance Statement:

Any student who, because of a disability, may require special arrangements in order to meet course requirements should contact the instructor as soon as possible to make any necessary arrangements, either at the beginning of the semester or upon diagnosis of disability. Students should present appropriate verification from Student Disability Services during the instructor's office hours. Please note instructors are not allowed to provide classroom accommodations to a student until appropriate verification from Student Disability Services has been provided. For additional information, you may contact the Student Disability Services office at 335 West Hall or 806-742-2405.

TTU Resources for Discrimination, Harassment, and Sexual Violence

Texas Tech University is committed to providing and strengthening an educational, working, and living environment where students, faculty, staff, and visitors are free from gender and/or sex discrimination of any kind. Sexual assault, discrimination, harassment, and other Title IX violations are not tolerated by the University. Report any incidents to the Office for Student Rights & Resolution, (806)-742-SAFE (7233) or file a report online at titleix.ttu.edu/students. Faculty and staff members at TTU are committed to connecting you to resources on campus. Some of these available resources are: TTU Student Counseling Center, 806-742-3674, https://www.depts.ttu.edu/scc/(Provides confidential support on campus.) TTU 24-hour Crisis Helpline, 806-742-5555, (Assists students who are experiencing a mental health or interpersonal violence crisis. If you call the helpline, you will speak with a mental health counselor.) Voice of Hope Lubbock Rape Crisis Center, 806-763-7273, voiceofhopelubbock.org (24-hour hotline that provides support for survivors of sexual violence.) The Risk, Intervention, Safety and Education (RISE) Office, 806-742-2110, https://www.depts.ttu.edu/rise/ (Provides a range of resources and support options focused on prevention education and student wellness.) Texas Tech Police Department, 806-742-3931,http://www.depts.ttu.edu/ttpd/ (To report criminal activity that occurs on or near Texas Tech campus.)

Academic Integrity:

Texas Tech University is committed to a high standard of integrity and therefore, academic honest is expected. On exam days, you can expect to put your bags, backpacks, purses, caps, cell phones, PDAs, and pagers in the front of side of the classroom. If you are uncomfortable with handling your possessions in this way, please leave them at home.

"'Academic dishonesty' includes, but is not limited to, cheating, plagiarism, collusion, falsifying academic records, misrepresenting facts, and any act deigned to give unfair academic advantage to the student (such as, but not limited to, submission of essentially the same written assignment for two courses without the prior permission of the instructor) or the attempt to commit such an act." Since dishonesty harms the individual, fellow students and the integrity of the University, policies on scholastic dishonesty will be strictly enforced. http://www.depts.ttu.edu/studentjudicialprograms/academicinteg.php

It is the aim of the faculty of Texas Tech University to foster a spirit of complete honesty and a high standard of integrity. The attempt of students to present as their own any work that they have not honestly performed is regarded by the faculty and administration as a serious offense and renders the offenders liable to serious consequences, possibly suspension at the university level.

Anti-plagiarism software may be utilized to determine plagiarism issues with any work submitted electronically.

The academics and profession of Personal Financial Planning require the highest academic integrity and ethical standards. As such, the Department of Personal Financial Planning has a zero tolerance policy relating to any instance of academic dishonesty listed above. Students are expected to know and understand the definitions of cheating, plagiarism, and collusion found in the Texas Tech University Catalog: (p.50) or at the following website: http://www.depts.ttu.edu/studentjudicialprograms/academicinteg.php

Consequences of academic dishonesty as a student in the Department of Personal Financial Planning will be subject to one or more of the following consequences:

- At the discretion of the instructor, an automatic F (zero credit) on the assignment, quiz, or exam OR a failing grade in the course for the semester will be assigned.
- At the discretion of the Director and Department Chair, the student may be dismissed as a PFP major. Major instances of academic dishonesty or habitual offenses by a student will result in being removed from the PFP major.

Plagiarism:

Plagiarism occurs when a student submits work that is not his or her own. This includes copying from printed materials, websites, or from other people. Any assignment containing plagiarized material will automatically be graded as zero. Plagiarism may also result in failing the entire course or dismissal from the PFP program as outlined above. Students who do not thoroughly understand methods of proper documentation should request assistance from the instructor. The TTU Library has a resource on avoiding plagiarism at the following website: http://library.ttu.edu/ul/cswrc/wr_plag.php

All work in PFP courses, unless otherwise noted by the instructor, is to be completed individually. Instances of collusion, or working together outside of class on an individual assignment without prior permission, will be considered plagiarism.

Civility in the Classroom:

Students are expected to assist in maintaining an online classroom environment that is conducive to learning in order to assure that all students have an opportunity to gain from time spent on the class.

Resolving Student Issues:

Should a student encounter an issue in the course, the following chain of authority should be followed and not circumvented:

- Students should first discuss the issue with the instructor of the course in an attempt to resolve the issue;
- If the issue is not resolved, or the issue is of a matter that the student is not comfortable discussing with the instructor, the student should contact the Director of the Department of Personal Financial Planning (Dr. Vickie Hampton).
- Under no circumstances should the students start a resolution process with the Chair or Dean's office without having discussions with the Department Director.

Course Outline:

Introduction to complex charitable planning
- Motivations for sophisticated planning
- Review of charitable planning and tax concepts

Private Foundations / Donor Advised Funds
- Establishment
- Operation
- Limitations on restricted gifts
- Termination
- Family values and family foundation structures

Management of Charitable Remainder Trusts & Charitable Leads Trusts
- Creation & Operation
- Trustees
- Payouts
- Charitable Deductions
- Debt
- Investments

Complex Applications: Charitable Lead Trusts
- CLT/Family Limited Partnerships Combinations
- CLT/Charitable Remainder Trusts Combinations
- CLAT/CLUT Combinations
- CLTs, Dynasty Trusts, and Generation Skipping Transfer Tax

Complex Applications: Charitable Remainder Trusts
- CRT/Irrevocable Life Insurance Trust Combinations
- CRT/Qualified Terminable Interest Property Combinations
- Education CRTs

Charitable planning and retirement
- Planning with retirement plan assets
- NIM-CRUTs
- FLIP-CRUTs
- FLEX-CRUTs
- "Spigot" Trusts

Charitable planning with closely held business interests

International Giving

Philanthropic Impact
- Assessing nonprofit organizations
- Nonprofit governance

Planned giving cultivation and solicitation

The instructor has the right to change the schedule at any time. Depending upon student interest we may spend more or less time on the listed topics or add specific topics.