PERSPECTIVES

SPRING 2022 EDITION

LEAVING A LASTING LEGACY

How to Pay it Forward with a Charitable Foundation

A SPRINGTIME CHECKLIST FOR MONEY & HOME

NOW'S THE TIME TO GET YOUR HOUSE IN ORDER

Three Ways To Green up Your Life

HARVEST AT HOME

Engaging Local History

Finding Adventure in Your Own Hometown

WMG

WEALTH MANAGEMENT GROUP LLC

Spring Welcome

Dear Client,

Blossom by blossom, spring begins. As the earth awakens and sprouts, so we too emerge from the coldness of winter's embrace, welcoming the imminent return of bluer skies and warmer days.

Spring is a great time to break out your home maintenance checklist. In "A Springtime Checklist For Your Finances And Home," we'll explore how to keep your home in tip top shape, along with some tips for annual financial maintenance, too.

If you've been thinking about setting up a charitable foundation, "Leaving a Lasting Legacy: How to Pay it Forward with a Charitable Foundation" will give you details on how you can start today to leave a meaningful legacy.

In "Engaging With Local History," we'll look at how you can embark on exciting adventures without leaving your hometown. Finally, whether or not you have a green thumb, "Harvest at Home: Three Ways to Green Up Your Life" might give you some ideas you'd like to try this season.

Wishing you a beautiful spring, full of renewal.

Warmly,

Craig G. Bolanos Jr.

Craig G. Bolanos, Jr. CMFC, AIF®
Founding Partner, CEO
Wealth Advisor

SUDOKU

1							9	7
	3	2				4	5	
9						1	3	
		9		4		8		
	7	3			8	9		
		5	9	2	3			
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8	6	4		3	2	7		
5	9	1	4	7		3		2

SUDOKU

Sudoku, or "single number," is a logic-based number-placement puzzle. The objective is to fill a 9x9 grid with digits so that each column, row, and 3x3 sub-grid contains all the digits from 1 to 9 only once.

			5		2		4	
4				7	6	5		
9		5	1	4	3	6	8	2
	4							
	8	6				7	2	
			2		5	4		
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1		3	6			9	7	
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Leaving a Lasting Legacy

How to Pay it Forward with a Charitable Foundation

When you think about the kind of legacy you want to leave, what comes to mind? For some, it's making sure assets are successfully transferred after they're gone. Others might want to make sure that higher education is provided for their grandchildren. Still others want to continue a financial contribution to an organization that meant a lot to them during their lifetime.

But maybe you want to do more than have your estate make a one-time donation to your favorite charity or organization. Some individuals choose to make a difference for their community or school by setting up a charitable foundation. You don't have to wait until you're retired; you can start this process at any time. In fact, the earlier you get started, the more people can be helped by your generosity.

Keep in mind, this article is for informational purposes only and is not a replacement for real-life advice. Make sure to consult your tax, legal, and financial professionals before modifying your estate strategy if you want to update or expand your charitable giving.

Starting a Charitable Foundation

While creating a charitable foundation stems from a desire to do good, it's important to consider just how your charitable foundation will be set up. The Internal Revenue Service (IRS) has a number of guidelines to get you started. You may need to create an organizational structure, a charter, and bylaws to establish your charitable foundation.[1]

> "You may need to create an organizational structure, a charter, and bylaws to establish your charitable foundation."

Once your foundation is established, there are a number of ways to fund the operation. One choice is funding the foundation with appreciated assets, which may help you manage your overall tax obligation. Determine whether or not there's a minimum funding requirement for your charitable foundation, and once it's established, how any fees are handled. Administrative costs and investment fees may be anything from a predetermined amount to a percentage of the balance of the fund and deducted directly from the account.[2]

There is no time limit for when grants are given out from your foundation, so you can take your time to ensure that you're supporting causes that are meaningful to you.[2]

Private Foundations vs. Donor-Advised Funds

For most people, the purpose of any type of charitable foundation is to donate money now and have it be disbursed over time. But how do you know what type of charitable foundation is the right one for you? This depends on a number of factors, including tax considerations, how involved you'd like to be in the foundation, and whether or not you'd like flexibility in determining where the funding goes.[2]

Two of the most common setups for charitable foundations are private foundations and donor-advised funds. Donor-advised funds are the simpler of the two, which may be appealing if you'd prefer a more active approach to your foundation. Once your donor-advised account is set up, you can decide over time which charities and causes you'd like the funding to go toward. Donor-advised funds may also provide tax considerations that you can manage. Your tax deduction may be based on contributed amounts worth up to 60 percent of your adjusted gross income. For appreciated assets, the deduction cap is 30 percent, and you're able to carry over excess deductions for up to 5 more years if you exceed the limits.[2]

Some donor-advised funds are considered mutual funds and are sold only by prospectus. The prospectus will provide information on charges, risks, expenses, and investment

objectives and should be reviewed carefully before investing. Investment companies can provide a prospectus, or you may prefer to ask your financial professional. Read it carefully before you invest or send money.

However, donor-advised funds can be restrictive. Because these funds are often sponsored by a community foundation or non-profit (like a hospital or religious organization), there may be restrictions on where and how your grants are used. Further restrictions can be applied by the financial institution they're affiliated with.[2]

Establishing a private foundation is more complicated at the outset and typically costs more to set up. Private foundations are best for high-net-worth individuals who have at least $2–3 million ready to establish their foundation; otherwise, you could spend more on start-up costs than you will helping others. While private foundations give you the flexibility to give money to whomever you choose—from scholarships to public charities to international grants—there are also more tax filing and paperwork requirements. Whereas donor-advised funds are not required to distribute money annually, private foundations may be required to distribute 5 percent of their assets annually and may be subject to an excise tax on the net income.[2]

Other Types of Charitable Funds

While donor-advised funds and private foundations are the most common, there are a few specific types of funds that may work well for you.

- Designated funds allow you to support your favorite non-profit organization with an annual donation.[3]
- Discretionary funds are established to allow for grants to adapt to changing circumstances and the needs of the organization.[3]
- Field-of-interest funds allow you to support a specific cause, like education or the environment. Depending on how your foundation is set up, you may or may not have a say in specifically who receives this funding, and the foundation may make an independent decision.[3]
- Future funds are typically established from a donor's estate and allow a fund to be created as part of your legacy after you're gone.[3]

All four types are considered mutual funds, and are sold only by prospectus. Read it carefully before you invest or send money.

It's never too early to start thinking about the kind of legacy you want to leave. With a careful strategy, you can create a legacy that is designed to last well past your lifetime. Remember, each of these approaches comes with unique tax considerations and challenges. Be sure to discuss them with your financial, legal, and tax professional so you can make a decision that's designed to fit your situation.

1. USNews.com, March 11, 2020
2. CNBC.com, August 23, 2021
3. FoundationHoc.org, 2021

A Springtime Checklist for ☐ Money & ☐ Home

Money

Home

Getting Your House in Order

The imminent departure of winter weather is a reminder to get your house in order. The lengthening days can provide a great time to "spring clean" your finances as well as your home.

Springtime Financial Checklist

Organize Tax Documents

First up to tackle: taxes. The sooner in the spring that you begin to compile and organize your tax paperwork, the simpler things will be at filing time.

First, take a look at last year's return. Unless your job, living situation, or financial situation has changed since you last filed your taxes, chances are you can expect to need the same set of forms, schedules, and receipts this year as you did last year.

Remember, this article is for informational purposes only and is not a replacement for real-life advice, so make sure to consult your tax, legal, and accounting professionals before modifying your tax strategy.

If you don't freelance or own a business, you may only need W-2(s), 1099-INT(s) (or perhaps 1099-DIVs or 1099-Bs), or a Form 1098 if you pay a mortgage. You will also need your 1099-MISCs, and if you don't use a payment-processing software, you will need to compile every bit of documentation you can find that's related to business expenses: store and restaurant receipts, mileage records, utility bills, and so on. And, of course, there's the Affordable Care Act; if you got coverage through your state or federal marketplace, Form 1095-A is needed to fill out Form 8962.[1]

If you're still working, take some time to check your paycheck withholdings. If it's been a few years, it's possible that you might need to make changes, especially if you've gotten married or gained dependents.

Review Budget and Savings Goals

Have you adjusted your yearly budget to account for new objectives, new obligations, and your current goals? The year ahead may include summer vacations, back-to-school spending, and the holiday season. Take some time now to prepare.

Cancel Unneeded Subscriptions

Take a look at and evaluate any subscriptions you have, such as streaming services, security tools, delivery services, or periodicals (both digital and print). Spring is a good time to consider what you use and cancel what you don't.

Now would also be a good time to check with other services, such as your phone, cable, or Internet providers, to see if there's a more economical plan. It's common for such plans to expire and move to default billing after a while, so you might be paying more than you need to.

Review Credit Report

If you plan on moving, purchasing a car or home, or taking out a personal loan this year, you'll want your credit score in good shape. Your score is impacted by recently accrued debt, late payments, hard credit inquiries, identity theft, and more. Now's the time to check your credit report.

You are entitled to receive one free credit report per year from each of the three major U.S. credit reporting agencies – Equifax, Experian, and TransUnion. You might as well request a report from all three at once. As the federal government's Consumer Financial Protection Bureau notes, you can do this at annualcreditreport.com.

Check Expiration Dates

If you have accumulated credit card points, loyalty benefits, and frequent flyer miles, take a look at when you need to use them, since they do typically expire. Frequent flyer miles in particular might come in handy if you are planning a trip in the summer.

Shred Old Documents

Old bills and financial documents are just the sort of things that scammers and identity thieves want to get their hands on. The only way to be completely certain that you are safe is the total destruction of those documents once their practical use has come to an end. This goes for old computers and handheld devices, as well; it's important to not only recycle old laptops, desktops, and handheld devices properly, but to destroy hard drives and chips that may contain remnants of old files, which could be recovered by tech-savvy identity scammers.[2,3]

Springtime Home Checklist

Check Your Foundation for Cracks

There are DIY solutions for foundations, but depending on your home, repairs might not be a job for an amateur. Arrange to have a foundation specialist come by to examine any cracks you find and give you an estimate.[4]

Clean Your Gutters

Your gutters and rain spouts will likely need clearing from fall and winter debris. Give them a thorough mucking out, and if you don't have gutter protectors in place, consider adding them before summer heat sets in.

Trim Trees and Shrubs

This is not just an aesthetic exercise but also necessary to clear dead branches or limbs, which could potentially form a hazard. One tip: be careful not to trim too aggressively until you know which limbs are actually dead and which are just dormant.

Check for Holes or Damage

Take a close look around your doors and windows for areas that need caulking. This will help with temperature regulation all year. Also look for wood rot and areas that might need repair on your house, deck, and other outbuildings. If you see signs of termites or other issues, call pest control now, before the weather gets warmer (and buggier).

Review the Roof

Do you need a new roof or some repairs? Depending on the climate where you live, it's possible that winter weather has left you a few shingles shy of a full roof. Instead of climbing a ladder, you might be able to use a pair of binoculars to give it a once over. A good roof should last years, and regular checks like this will ensure it does.[4]

With well-maintained finances and an equally cared for home, you should be comfortable as spring and summer give way into another set of colder months. Being prepared can be an incredibly comfortable feeling.

1. CNBC.com, July 1 2021
2. IRS.gov, September 21, 2021
3. IRS.gov, August 5, 2021
4. Homeserve.com, March 12, 2021

HARVEST AT HOME

three ways to Green up Your Life

Growing a garden can be a rewarding pursuit. You till the earth, plant seeds, and reap the rewards of watching your garden grow. If you don't have much space, or just want to try something different, there are some alternative gardening methods that have sprouted up in the last few years that can put a fresh new spin on your growing pursuits.

Indoor *Gardening*

You can turn the smallest space in your home into a garden of edibles that you can bring into your kitchen. For example, all you need is a sunny windowsill and a few propagation trays, and you can grow your favorite microgreens.

Microgreens are small, young vegetable greens that are approximately 1–3" in height, easy to grow, and packed with flavor. If you're not the most patient gardener, consider growing sprouts. They only take a day or two to germinate, and then they're ready to top your favorite sandwich.[1,2]

Vertical/Tiered *Gardening*

Many people may put houseplants in hanging baskets, but vertical and tiered gardening can allow for a bountiful harvest. It's a perfect method to grow trailing edible plants like strawberries, where there's room for the vines to grow downward. Peas and tomatoes are also good choices for vertical gardening. If you're going to grow tomatoes, just be sure that your planters are capable of supporting the weight of a full-sized tomato plant.[1]

Vertical and tiered gardening also allows you to grow in smaller and urban spaces. You can set up tiered gardens indoors or on a balcony, porch, or rooftop if you have the space.[1]

Grow *Bags*

Many gardeners are replacing their planting pots or beds with grow bags. Grow bags aren't a new idea; in fact, ancient Egyptians used woven grow bags made out of plant fibers. Many ancient Greeks used grow bags on their rooftop gardens because they could be easily moved.[3]

The same technology that made grow bags so appealing in the past is why they're becoming more popular in gardens of all shapes and sizes today. Besides being ideal for balcony and rooftop gardens, grow bags help with drainage and prevent the plant roots from becoming waterlogged. Other types of planters can cause plants to become rootbound, which means that the roots don't stop growing and will wrap around each other, effectively strangling the plant. When the roots hit the side of the grow bag, the exposure to sunlight and air prevents them from continuing to grow. You can easily grow everything from houseplants and flowers to zucchini, potatoes, and other root vegetables.[3]

These alternative methods are just a few of the many ways you can cultivate a beautiful garden in whatever space you have. Get creative and explore. There are numerous resources to help you get started online, and your local nursery can help make sure you have all the tools you need to green up your space. From houseplants to aromatic flowers to fruits and vegetables, you can decide how you'd like your garden to grow.

1. Gardeners.com, February 17, 2021
2. Healthline.com, 2021
3. Almanac.com, April 1, 2021

ENGAGING LOCAL HISTORY

You may not be Harrison Ford or Nicolas Cage, but if you've got a nose for history, you could find an extraordinary adventure in your own corner of the world. Local histories are filled with fascinating stories and characters to rival anything you might see in the movies—without the treacherous voyage. Read on to discover how you can embark on a journey while never leaving your hometown.

EXPLORING THE ALLURE: WHY GO LOCAL?

The Thrill of the Hunt

You may be surprised by how exciting it can feel to uncover local history. There is a "treasure hunt" aspect of holding a document written by a famous figure, local dignitary, or even a long-lost relative. The feeling of the past reaching across time to touch the present can be thrilling. And, chances are, you're not the only person who's interested in learning more about history. As you discover new friends along the way with common goals, a meeting of the minds could provide new avenues to explore.

Community Perspectives

It can also be a way to learn about new surroundings. If you've moved to an area where you didn't have an established connection, dipping into the local history can be a good way to come to a deeper understanding about your new home. Diving into history can uncover perspectives that you never have otherwise, even after years of living in a community. Those perspectives could not only give you insight into the past but could even hint at the future of your community.

Cultural Curiosity

Alternatively, your connection to local history may be driven by the desire to preserve longstanding cultural traditions. Curiosity may also be a factor. Many parts of the U.S. boast national monuments, museums, presidential birthplaces, or libraries documenting the lives and careers of our nation's former chief executives.

Public Presence

Giving a lecture or teaching about your findings can be a rewarding benefit, too. Expertise that leads to a public presence can be influential when interacting with your local government, such as convincing your city council to preserve an important building or landmark for future generations. Also, many amateur historians ultimately write definitive works on local histories, articles and books that may be important to your counterparts yet to come.

WHERE TO START

Visiting your local public library is a great place to track down books about your area and other resources. University libraries also contain extensive records and archives, but access to certain collections may require relationships with the archivists. You might start with a letter of inquiry and work from there.

Your next stop might be a museum or historical society, to familiarize yourself with your fellow historians. From there, you might make a few friends who can serve as invaluable allies and sources of knowledge.

Volunteering with local organizations can also let you continue to build your knowledge. Developing these relationships can establish your bona fides with archives, universities, and other historical resources. Start by sending a press release to your local newspaper. Invite other interested parties to meet at a coffee shop or park. You can also organize visits to museums, libraries, and historical societies of neighboring towns and counties.

Whatever motivates your research into local history, all it takes is a sense of curiosity to find this a fascinating and rewarding pastime. The stories you uncover will be tales you can share with future generations, giving them a clear view into the past as you foster continuity and connection across the decades.

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