

Franciscan¹ Footnotes²

1 Franciscan: Called like Francis of Assisi, the Sisters of St. Francis are messengers of peace, committed to works that reverence human dignity, embrace the poor and marginalized and respect the gift of all creation.

2 Footnotes: A publication of the Congregational Advancement Office of the Sisters of St. Francis of Sylvania, OH.

February 2019

Charity is the form, mover, mother and root of all the virtues.

— Saint Thomas Aquinas



Things You Need to Know

Estate Planning with Paul Hood

The ABC's of DAFs (Donor Advised Funds)

1) **What are DAFs?** Unlike either the private foundation or the supporting organization, which are separate organizations, a DAF is only a fund or account that is separately identified by contributions by a donor or donors, which is sponsored by a “sponsoring organization” (essentially must be a public charity). A donor or someone appointed by the donor expects to

have advisory (but non-binding) privileges over the distributions or investments. DAFs now are purely a creature of tax law, although they’ve been a part of philanthropy for a long time.

Individuals can take an immediate tax deduction of the full amount that they contribute to a DAF (subject to the regular contribution base limitations of income tax charitable contribution deductions). There are presently no rules or regulations about how quickly the money actually has to be distributed by the sponsoring organization for charitable purposes, although Congress has talked about changing this. Since 1969, Congress has required private foundations to distribute at least 5% of the value of the private foundation annually or face confiscatory penalties. Under the law as it stands today, a DAF can hold onto the contributed funds indefinitely, which has attracted the ire of some in Congress. I believe that DAFs will eventually will be subject to some form of minimum required distributions scheme.

Currently a family can’t be in control of a DAF or a sponsoring organization. If a family wants more control than just mere input, then the DAF is not the way to go. In this instance, consider either a private foundation or a supporting organization.

You can usually start a DAF with a much lower initial charitable donation than either a private foundation or a supporting organization. DAF sponsoring organizations have different account minimums.

In the life cycle of a private foundation that is established by a family, it is not unusual to see the foundation converted at some point to a DAF, usually where the family has no one either interested in or capable of running the family foundation on a day-to-day

basis.

2) ***How do I establish a DAF?*** Most DAF sponsoring organizations make it very easy to open a DAF account on-line today. Some only require a minimum contribution of as low as \$500 to open a new DAF account.

3) ***What are the advantages and disadvantages of a DAF to the Donor?*** DAFs are merely tools to be used in charitable planning and are neither good nor bad. DAFs come with a number of advantages and disadvantages, which I discuss below.

Advantages of DAFs

- **Simplified record keeping-** it's much easier to keep track of one tax receipt for a single contribution to a DAF, which then gives money to the preferred charities, provided that the sponsoring organization accepts the donor's recommendations.
- **One can name a DAF**, such as the Hood Family Fund.
- **The most common strategy for using a DAF is to “front load” charitable contributions** in a high-income year – when the contribution base limitation for charitable contributions will be higher – and then use the DAF to make subsequent distributions to the charities themselves in the future.
- **The DAF can be effectively used to give anonymously**, unlike a private foundation.
- **The contributed funds grow tax-free inside of the DAF.**
- **The DAF facilitates donations to a wider range of charitable organizations** than most private foundations and supporting organizations that are established to support only a few charities, and often only one charity.
- **There presently is no minimum distribution requirement** for DAFs, so that a DAF account can grow faster.
- **DAF accounts allow a donor to make a substantial gift** for the benefit of a small charitable organization without having to worry about a small charity's ability to manage money.

Disadvantages of DAFs

- **The DAF sponsoring organization truly is in control** over donations and has the final say in where contributions go. This is one reason why I'm not a big fan of DAF accounts with the mega-DAF sponsoring organizations, e.g., Fidelity Charitable, Schwab Charitable, because most charitable giving is local, while the management and grant making staff of these mega charitable DAF sponsoring organizations are somewhere else and may not appreciate the local nature of the charitable advice. Don't get me wrong—there's nothing wrong with the mega DAF supporting organizations, but I'm bothered by their size of potentially unrestricted funds and lack of local nexus, particularly after the end of the advisory privileges.
- **Donors who are unhappy** with the sponsoring organization's responsiveness or decisions can't get their money back. DAFs are donor advised funds. If the donor wants more control, then the DAF isn't the way to go. In that event, consider either a private foundation or a supporting organization.
- **For most sponsoring organizations, but not all, the advisory privileges don't have perpetual life**, after which the DAF is subsumed into its general charitable pool, sometimes only one or two generations at most. This is where the mega DAF sponsoring organizations concern me because the money usually becomes a part of the sponsoring organization's unrestricted funds, and there's usually no local connection. In my opinion, charitable giving must have a local component. After the family's advisory privileges are gone, it is doubtful that the sponsoring organization will continue to contribute to local charities, and the mega DAF sponsoring organization will be free to support its own initiatives, unburdened by advisory privileges. I think that DAFs should only be done with local community foundations, such as the Toledo Community Foundation because I believe that there's a local connection required in charitable giving.
- **It often is very difficult to ascertain how much in the way of fees** are being charged by the sponsoring organization. There's a wide disparity in the amount of fees charged by sponsoring organizations, so it's important to ask and shop around. Again, I find the local community foundations are the most transparent when it comes to administrative fees.

- **Grants to a charity must be solely for the benefit of the charity**, and the donor cannot receive any goods or services in exchange; as a result, grants from a DAF to purchase football tickets or tickets for a charitable event or a table at a charitable dinner are not permitted.
- **DAFs have attracted the ire of Congress**, so changes might be looming, most notably to the current no required distributions situation.

4) **What are the advantages and disadvantages of a DAF for the nonprofit?** At the outset, DAF donated funds are held by the sponsoring organizations, not the charitable organization that receives a distribution gift. Some charitable organizations regard DAFs as threats because most charitable organizations want to invest and manage and control their funds, and not have to be limited to simply receiving distributions. However, this is misguided and short-sighted in my opinion. Some donors want to make a significant contribution but are reticent because of concerns that the charitable organization might not manage the funds well. DAFs make annual distribution gifts to these organizations. In my opinion, charitable organizations should enthusiastically embrace the DAF as just another source of gifts. However, I believe that the community foundation serves as a far superior DAF sponsoring organization because the funds will stay in the local vicinity after the advisory privileges end.

Do you have a question for Paul Hood? [Ask it now!](#)

(You'll receive a response in 24-72 hours.)

[Click here for a printable version of Paul Hood's Q & A](#)

Paul Hood obtained his undergraduate and law degrees from Louisiana State University and an LL.M. in taxation from Georgetown University Law Center before settling down to practice tax and estate planning law in the New Orleans area. Paul has taught at the University of New Orleans, Northeastern University, The University of Toledo College of Law and Ohio Northern University Pettit College of Law. Paul has authored or co-authored seven books and over 500 professional articles on estate and tax planning and business valuation.

[Click here to read previous questions and answers](#)

Keep this for your records:

Tax ID#34-4450609

The Sisters of St. Francis of Sylvania, Ohio is a 501(c)(3) organization and your donation is tax deductible to the fullest extent of the law.

A Christmas Story: Waiting for the Bus



Above: Merry Christmas! Congregational Leadership members Sister Mary Jon Wagner, Sister Shannon Schrein, Sister Theresa Darga and Sister Rachel Marie Nijakowski were overjoyed to receive this "Christmas present" for the Sylvania Franciscan Community: a brand new bus for the elderly Sisters and Rosary Care Center residents to use for outings around town.

Below: Receiving the Keys. Left to right: Jim Gee; TARTA General Manager, Sister Theresa Darga; Assistant Congregational Minister, David Gedeon; TMACOG Vice President of Transportation, and Eileen Kerner; Director of Congregational Advancement at Sisters of St. Francis, Sylvania.

Last December, a long-awaited, much anticipated and desperately needed bus for elderly Sisters arrived JUST in time for Christmas ... three years after applying for the grant to fund it.

Eileen Kerner, Director of Advancement for the Sylvania Franciscans, tells the story:



"In December of 2015, I came across a grant opportunity that would assist the congregation in purchasing a bus for the Sisters and residents at Rosary Care Center. This grant would make it possible for everyone to have transportation from the Motherhouse so they could enjoy outings, which we've needed for a long time.

"The retail value of the bus we needed was close to \$100,000, which meant I needed to find more funds to supplement the grant. I put it on a wish list in the Sylvania Franciscan magazine and we were thrilled to have a generous donor step forward to help bridge the gap. It looked like the Sisters were going to get the bus they needed for an unbelievable price. Things were going well and I felt that they would certainly have the bus within a year.

"A caveat was that the Federal Transportation Agency was funding 80% of the grant.

This turned out to be a significant wrinkle.

"In 2016 we had an election and with it came a change of rules: the state-designated vendor was up for bid, and the state purchaser changed from TMACOG to TARTA. Changes equaled delays....

*"I kept working. My optimistic one year became a **three-year wait**, but 'patience is a virtue' and 'all things come to those who wait.' I learned to love making phone calls monthly, sometimes weekly, and at some points daily to ask: 'Can I please have an update on the Sisters' bus?'*

"Just days before the partial Government shutdown began, I received the phone call we were waiting for – the bus was here!"

On behalf of the Sisters of St. Francis of Sylvania, we thank TARTA and everyone involved for their hard work. We cannot express how grateful our Community is for the new bus. The Sisters are so excited and are looking forward to many delightful trips in the coming years.

Memory Lane: Arriving at the Convent



Sister Jeanine Sokolowski, sporting a pretty plaid coat on the left, stands with fellow postulants Angie, Marilyn Hall and Sister Alexandra Coffel in front of the Portiuncula Chapel in the early 1950's.

It was a hot day in August of 1949 when Sister Jeanine Sokolowski road the rails into Sylvania, Ohio from her hometown of Minneapolis aboard the Lakeshore LS & MS freight train.

She had come to enter the convent and, one day, become a Sylvania Franciscan.

The trip from Minneapolis took most of the day and she remembers eating lunch 'out of a shoebox' while getting to know a younger girl named Angie who was also heading to the Sisters of St. Francis of Sylvania. They were warmly met at the station by Sister Clementine Rybinski and a few cheerful novices who arrived in a blue Pontiac.

The sight of young girls nervously stepping off the train was a familiar one in downtown Sylvania. At the

time, the train depot, built in 1871, was located at the corner of S. Main and Convent Blvd, just 100 yards from the 89-acre Motherhouse campus, which was home to St. Clare Academy, and later, Lourdes College.

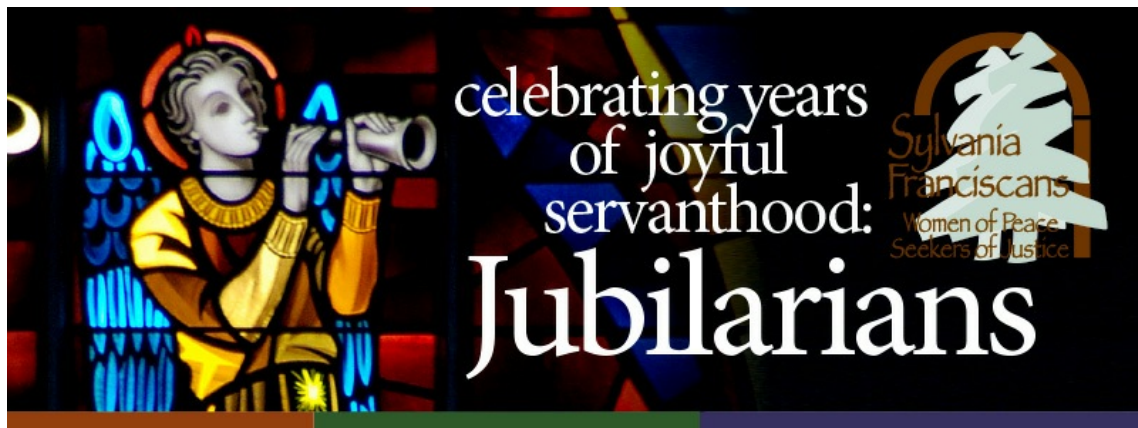
Sister Jeanine, at 18, was not nervous.

Sister Clementine drove the short drive from campus so that the girls wouldn't need to carry their trunks in the hot sun. Sister Jeanine remembers that she brought them to the Motherhouse and settled them in the shade of St. Anthony Hall's south porch. Soon, others came to welcome the girls and lead them to their new home in Carmel Hall.

"It was all very strange and unfamiliar to me," remembers Sister Jeanine. She tilts her head and smiles a little as she adds, "But I wasn't afraid."



Neither trains nor convents were new to her. Her father was a railroad man who started as an 'Ice Man' and then worked his way up to foreman. A perk of the job included train passes that allowed the family to go to Chicago every summer. Back at her home parish of Holy Cross in Minneapolis, Sister Jeanine liked to spend Saturdays hanging out with the Sisters and helping them around the parish. Afterwards, she would go into the Convent with them for cookies and Kool-Aid and she felt very comfortable with them. "I always knew that I wanted to be a Nun," she says.



2019 Jubilarians

75th Platinum

(First Vows, 1944)

Sister M. Ricarda Witt

60th Diamond

(First Vows, 1959)

Sister M. Francis Jerome Serewa

Sister Gretchen Faerber

Sister M. Helen Frances Spears

Sister M. Lois Anne Palkert

Sister M. Lorena Dulas

Sister Maria Pacelli Spino

50th Golden

(First Vows, 1969)

Sister Sharon White

Poetry and Inspiration



Above: 1957; Sister Rosalma in the St. Hedwig School yard with her students. Sister Rosalma currently provides Spiritual Care for the Sisters and residents at Rosary Care Center.

Lady Poverty

A poem by Sister Rosalma Kmiec, OSF, written August 25, 1998

Poverty of spirit-
Just what does it mean?

I have access to so much,
More than I've ever seen.

To be content with little,
Just basic needs of life,
Even that is luxury
To receive all without strife.

Ah, to be able to give
Whatever is precious to me,
Not to hold onto treasures –
Now, that's Poverty.

"Whatever I have is yours,"
is easy to say.
But when the moment comes,
(*and they do, every day*).

Can I really give of my "wealth,"
Of treasures that I store?
If I can answer "Yes, Lord,"
Then Poverty opens the door –

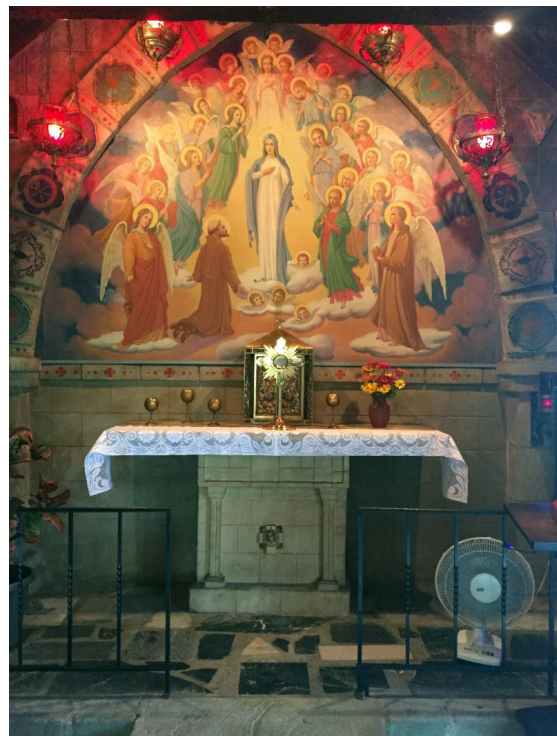
'Tis the door that leads to Jesus
My God, my Beloved One,
And Lady Poverty leads me
To him, The Holy, Divine Son.

Donate to the Sisters of St. Francis of Sylvania

The Assisi Society

The Sisters of St. Francis established the **Assisi Society** to recognize those dedicated donors who have chosen to honor the Sisters through a commitment in their wills, charitable trusts, life insurance or other estate plans. The name Assisi Society, chosen for this group of individuals, is aligned with the historical legacy of St. Francis of Assisi who serves as an example for the foundation of the Sisters of St. Francis. The Society was so named because of the impact estate contributions have on the future of the Sisters of St. Francis, Sylvania, Ohio.

[Download Your Acknowledgement of Estate Beneficiary Status Here](#)



Electronic Funds Transfer Form

Would you like to make easy automatic monthly or quarterly gifts to the Sylvania Franciscans?

[Download the Electronic Funds Transfer Form Here.](#)



Upcoming Events

All Good Things Art & Gifts Shop Presents

Sylvania Franciscan Spring Art Festival

Saturday, March 30, 10:00 a.m. - 4:00 p.m.

Franciscan Center, 6832 Convent Blvd.

Fine Art & Crafts | Live Music | Good Food

Free admission

Contact Jana Whitmore at jwhitmore@sistersosf.org or 419-824-3749.

Save the Date

Sylvania Franciscan Gala

Saturday, September 21, 2019

Franciscan Center, 6832 Convent Blvd.

***Celebrate with the Sylvania Franciscans at their annual fundraiser
Dinner | Live Entertainment | Silent & Live Auction***

The Sisters of St. Francis of Sylvania do not receive a subsidy from any diocese and are grateful to our donors as we continue to be messengers of peace through our ministries.

*The Sisters of St. Francis is a 501(c)(3) organization
and your donation is tax deductible to the fullest extent of the law.
Tax ID#34-4450609*

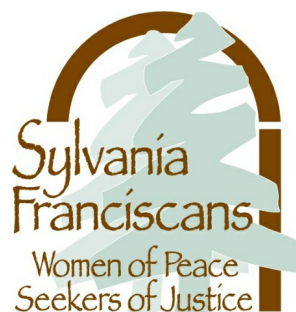
For more information, please contact Advancement Director Eileen Kerner at 419-824-3625.

Ministries of the Sisters of St. Francis

Bethany House | Convent Park Apartments | Lourdes University

Our Lady of Grace Hall | Rosary Care Center | Sophia Counseling Center

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www.sistersosf.org

