

Leveraging A.I. in Charitable Gift Planning for 2025 & Beyond

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Planned Giving Interactive

ESTATEGIFTPLANNING.COM



Greater Cincinnati
PLANNED GIVING COUNCIL

Planned Giving Interactive LLC

WWW.ESSTATEGIFTPLANNING.COM

PGI | gift planner's workstation™

**Vertical
Software for
the Gift
Planning
industry**

PGI | consulting

**Gift Planning
program
assessments
and on-going
retainer
arrangements**

Charitable  Solutions LLC 
MINIMIZING RISKS MAXIMIZING GIFTS

**Planned Giving
Interactive's
affiliation with
Bryan Clontz
firm
Charitable
Solutions, LLC**

Today's Agenda

1. Introduction to AI
2. How Generative AI Works
3. Advancements in AI in 2025
4. AI Gift Planning Tools
5. Using Chat GPT and Other AI Tools
6. Ethical Use of AI, Data Protection, and Compliance
7. Q & A

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Introduction to AI



Evolutions of the Web

Web 1.0

Connect to information

Web 2.0

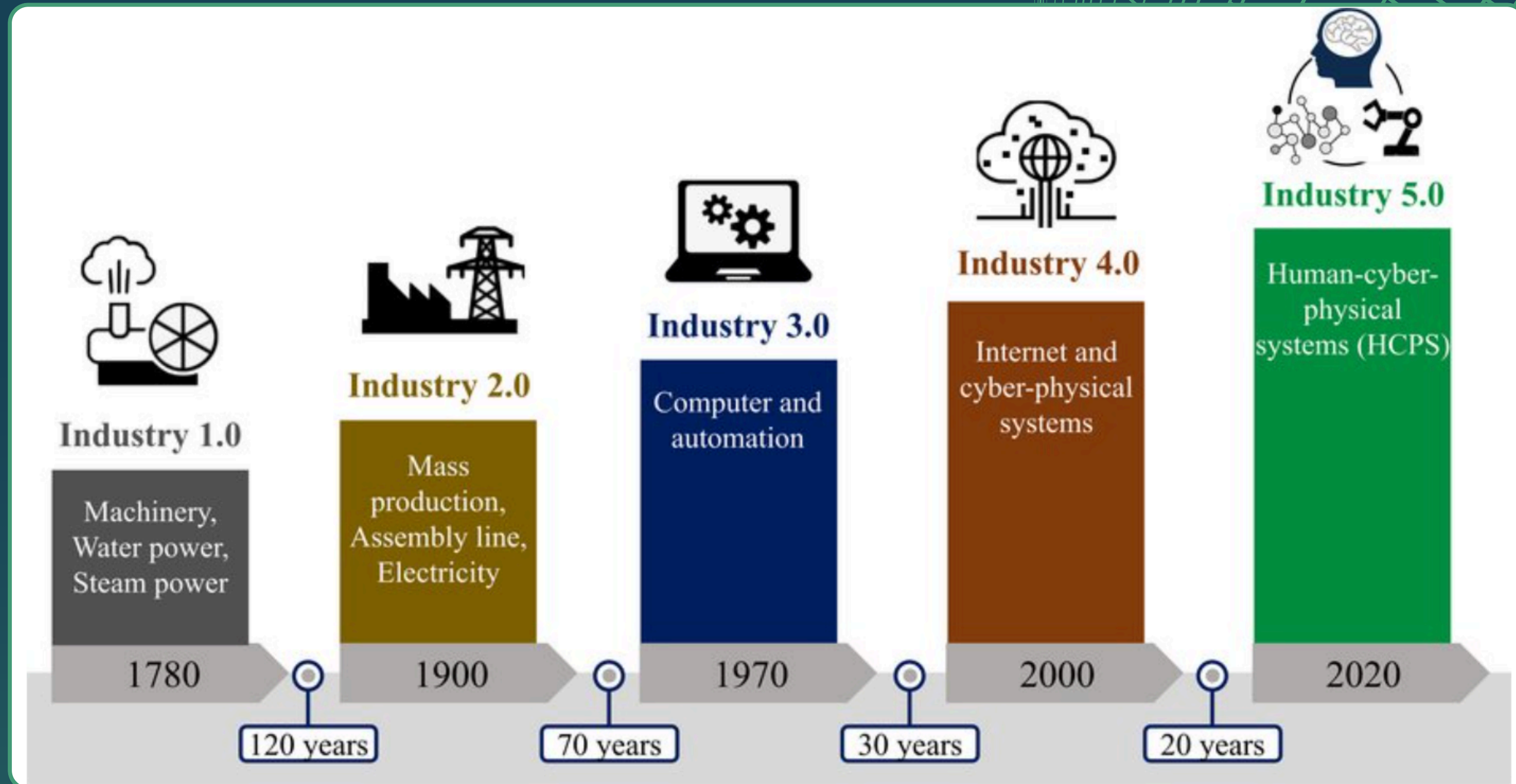
Connect to one another

Web 3.0

- Blockchain
- AI
- Metaverse
- Decentralization Defi



The 5th Industrial Revolution



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How Generative AI Works

Chat GPT: A Deeper Dive

01

BRIEF HISTORY
of AI before
November 2022

02

INTRODUCTION
of ChatGPT and
its significance

03

THE DISTINCTION
between pre and post-
November 2022 AI

• AI Nomenclature



- The Turing Test
- ChatGPT
- Generative artificial intelligence (AI)
- Machine learning
- GPT (generative pre-trained transformer)
- Natural Language Processing (NLP)
- Large Language Model (LLM)
- Prompt engineering
- *Self-Reflective AI (Meta-Reasoning)
- *Advanced Chain-of-Thought (CoT) Prompting

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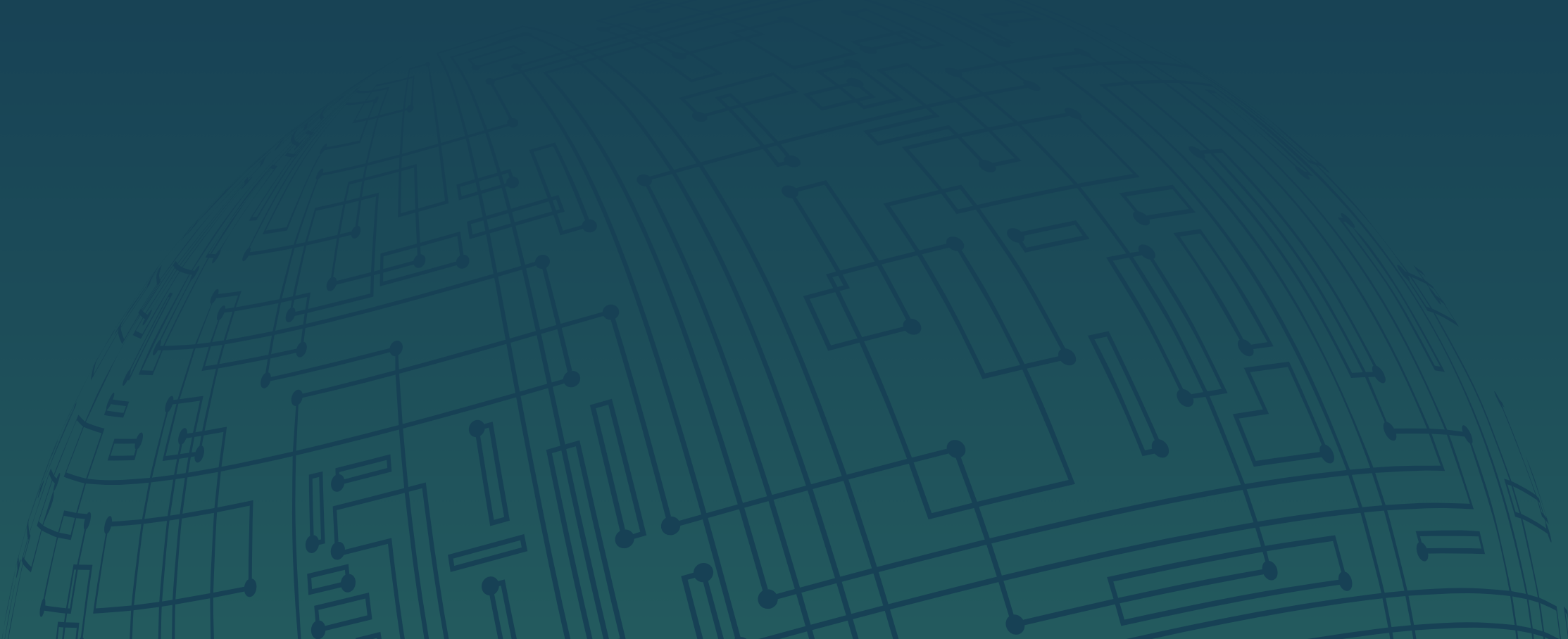
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Advancements in AI in 2025



When Will You Embrace?

*"A.I. won't replace fundraisers.
It will replace fundraisers who
don't adopt A.I."*

-Nathan Chappell, MBA, MNA, CFRE

Dr. Rick



Tech & AI Revolution

Aspect	1995 (Web 1.0)	2025 (AI) (Web 3.0)
Foundational Technology	Pentium chips enabled faster, more capable PCs.	Quantum chips like Willow power advanced AI.
Ecosystem Development	ISPs, Netscape, and basic protocols paved the way.	AI tools and platforms grow accessibility.
Skepticism and Hype	Doubts about the internet’s utility and e-commerce. <i>“Internet will never replace brick and mortar.”</i>	Concerns about AI use cases and reliability.
New Economic Models	Digital ads and online stores emerged.	AI agents begin to assist with commerce and decisions.
Cultural	Changed how people consumed information and connected. (Web 2.0)	Transforms how people create and solve problems.

A horizontal timeline on a dark teal background. Three white circles are connected by a thin green line. The first circle is labeled 'THEN', the second 'NOW', and the third 'NEXT'. Below each circle is a period and a description of the AI landscape. The background features a faint green network of lines and dots in the upper right corner.

THEN

2022-2024:
**LLMs &
Generative AI**

NOW

2025:
**AI Agents
Completing
Tasks**

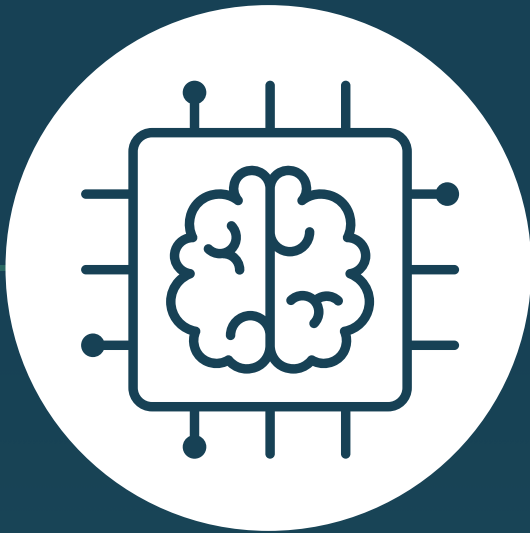
NEXT

2026:
**A new
meaning of
“Hybrid”
Position**

AGENTIC AI

VS

AI AGENTS



MAKE
AUTONOMOUS
DECISIONS

Aspect	Agentic AI	AI Agent
Autonomy Level	Highly autonomous, can act independently	Limited autonomy, needs human input
Goal-Orientation	Goal-driven, solves problems on its own	Task-specific, follows set instructions
Learning Capabilities	Continuously learns and improves	May not learn or only learns within set rules
Complexity	Handles complex, dynamic environments	Handles simpler, more structured tasks
Decision-Making Process	Makes decisions based on reasoning and analysis	Pre-programmed responses to inputs



AUTOMATE
SIMPLE
TASKS

Change all dinner reservations for the next three days to places that can tolerate noisy children. Shouldn't be more than a mile away from our hotel.



AI Agents

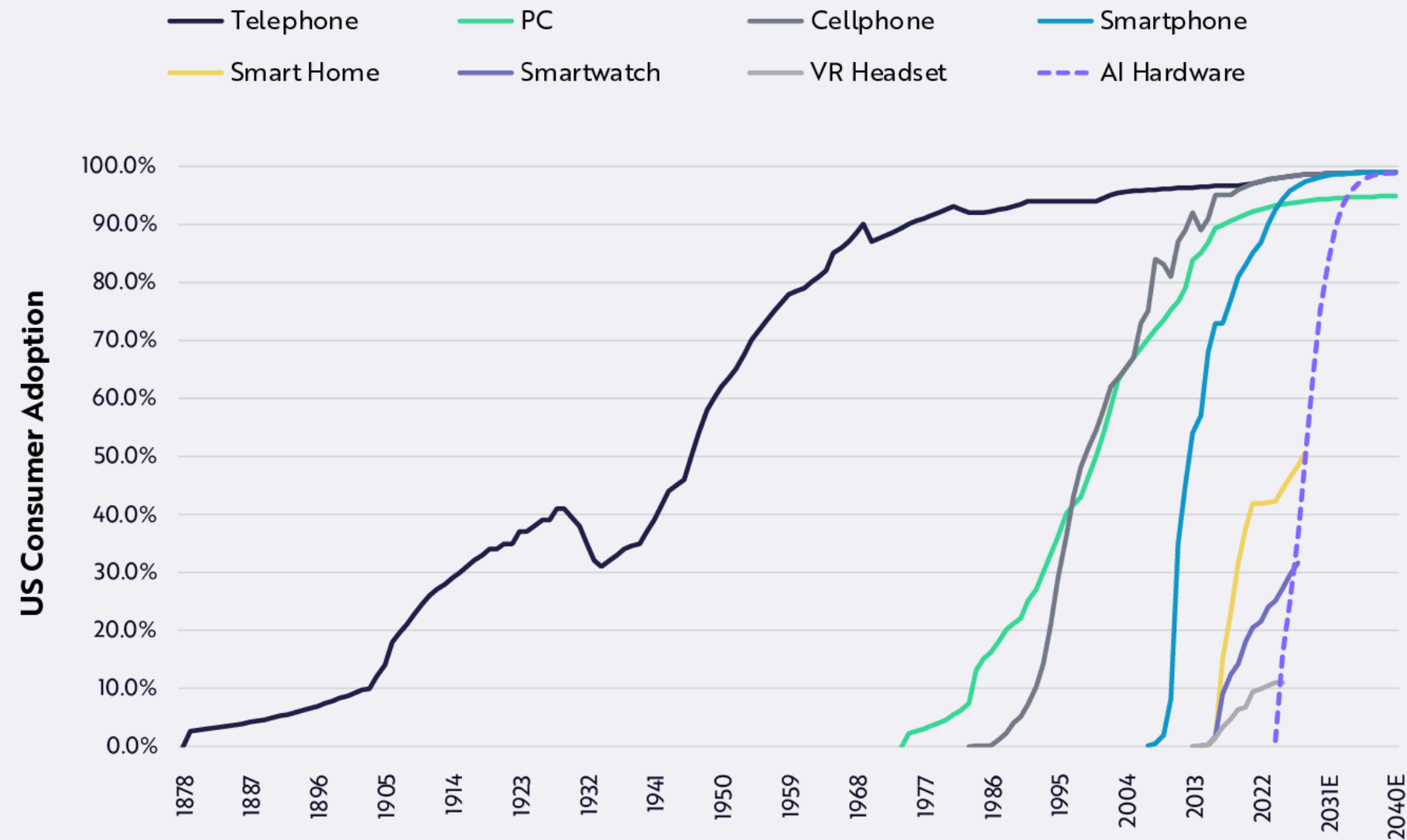
Understand natural language queries

Execute user-specified tasks across the internet

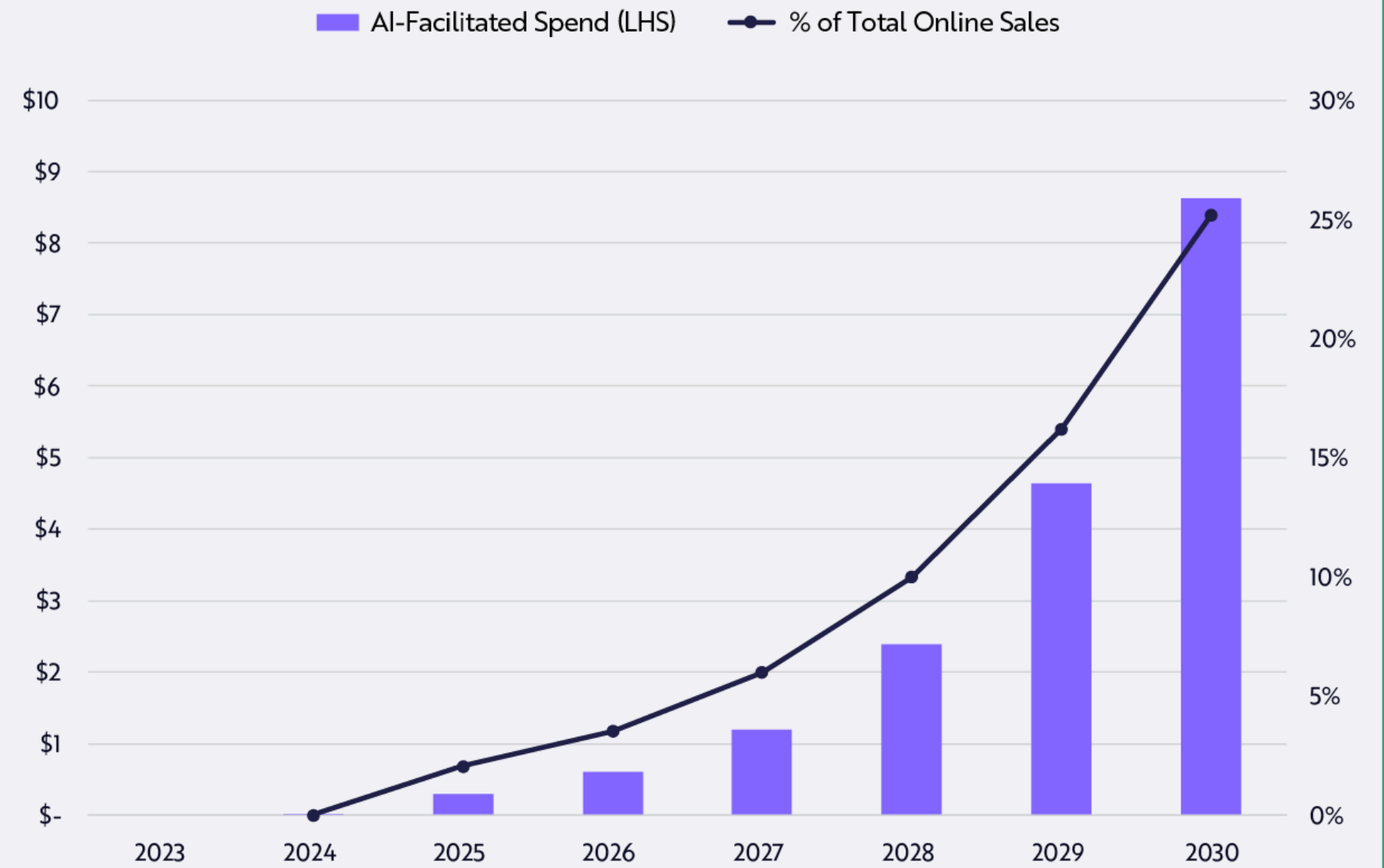
Adapt continuously based on user preferences.

Consumer Behavior & Forecast

US Consumer Hardware Adoption Cycles 1878 To 2040



Global AI-Facilitated Online Spend Forecast



Alexa +

Meet the new Alexa

Free with Prime



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AI Gift Planning Tools

Future of Planned Giving Websites

Create More Pages?



Minimalistic with A.I. tools?



Which is Right for You?

Frank™ or Max™

Which is right for you?

PGI | gift planner's workstation™

WHO?

Individual Gift Planner/
Financial Advisor

WHAT?

Research Copilot

WHERE?

Gift Planner's Workstation™ or
Charity's website for
Advisor Engagement



WHO?

Donors

WHAT?

Donor Friendly
Responsible & Secure
AI Companion

WHERE?

Charity Website
for Donor Engagement



Demo Max™

User-Friendly Interface: Designed to be intuitive and easy to navigate, especially for older adults.

Interactive Experience: Asks personalized questions to tailor advice to each user's specific needs.

Organizations: Increases user engagement and satisfaction. Offers consistent and accurate information to potential donors.



5-STEP PROCESS OF ANALYZING A CHARITABLE GIFT™

01



WHO IS THE DONOR?
INDIVIDUAL, TRUST, CORPORATION OR FOUNDATION?

02



WHAT IS THE TYPE OF ASSET DONATED?
"LONG" OR "SHORT" TERM GAIN PROPERTY, TANGIBLE, INTANGIBLE OR REAL?

03



WILL THE ORGANIZATION CONSENT TO A RELATED USE OR
IMMEDIATELY LIQUIDATE THE ASSET?

04



WHO IS THE DONEE? A "PUBLIC" OR "PRIVATE" 501(C)3?
DOES THE DONEE MEET THE DEFINITION OF A CHARITABLE ORGANIZATION
UNDER IRC 170(C) AND 2055(A) FOR INCOME AND ESTATE TAXES?
(NOTE: DAF'S DON'T ALWAYS GET THE SAME TREATMENT AS PUBLIC CHARITIES.)

05



WHAT IS THE GIFT VEHICLE?
IS THE DONOR RECEIVING SOMETHING IN RETURN FOR THIS GIFT,
SUCH AS AN INCOME INTEREST OR QUID PRO QUO?

Demo Frank™

Designed to be intuitive and easy to navigate, enabling users to easily prompt actions like writing articles or researching scenarios.

Interactive Experience: Provides tailored guidance by asking and answering personalized questions and follows a 5-step process for analyzing gifts.

Organizations: Enhances productivity and supports informed decision-making with accurate planned giving technical research, citing the Internal Revenue Code.



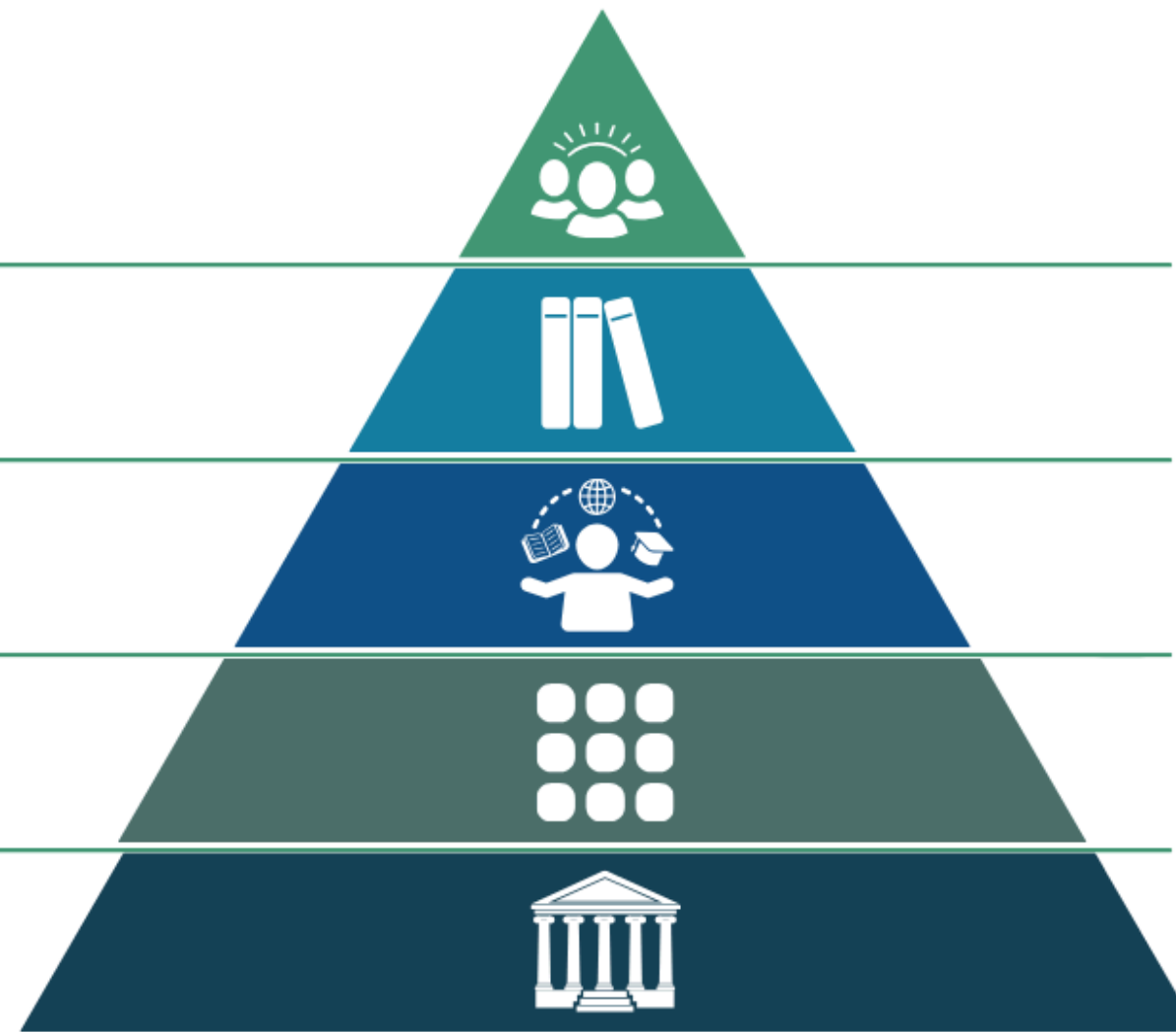
Where the Data Comes From

Data Sets For Max™ & Frank™

Where the data comes from...

PGI | gift planner's workstation™

- 1 Journal of Gift Planning-NCGP & Other Approved Special Contributors
- 2 Clontz & Raffin-3rd Edition
- 3 Dr. Russell James
- 4 Gift Planners Workstation™
- 5 US Internal Revenue Code, Treasury Regs, Rulings



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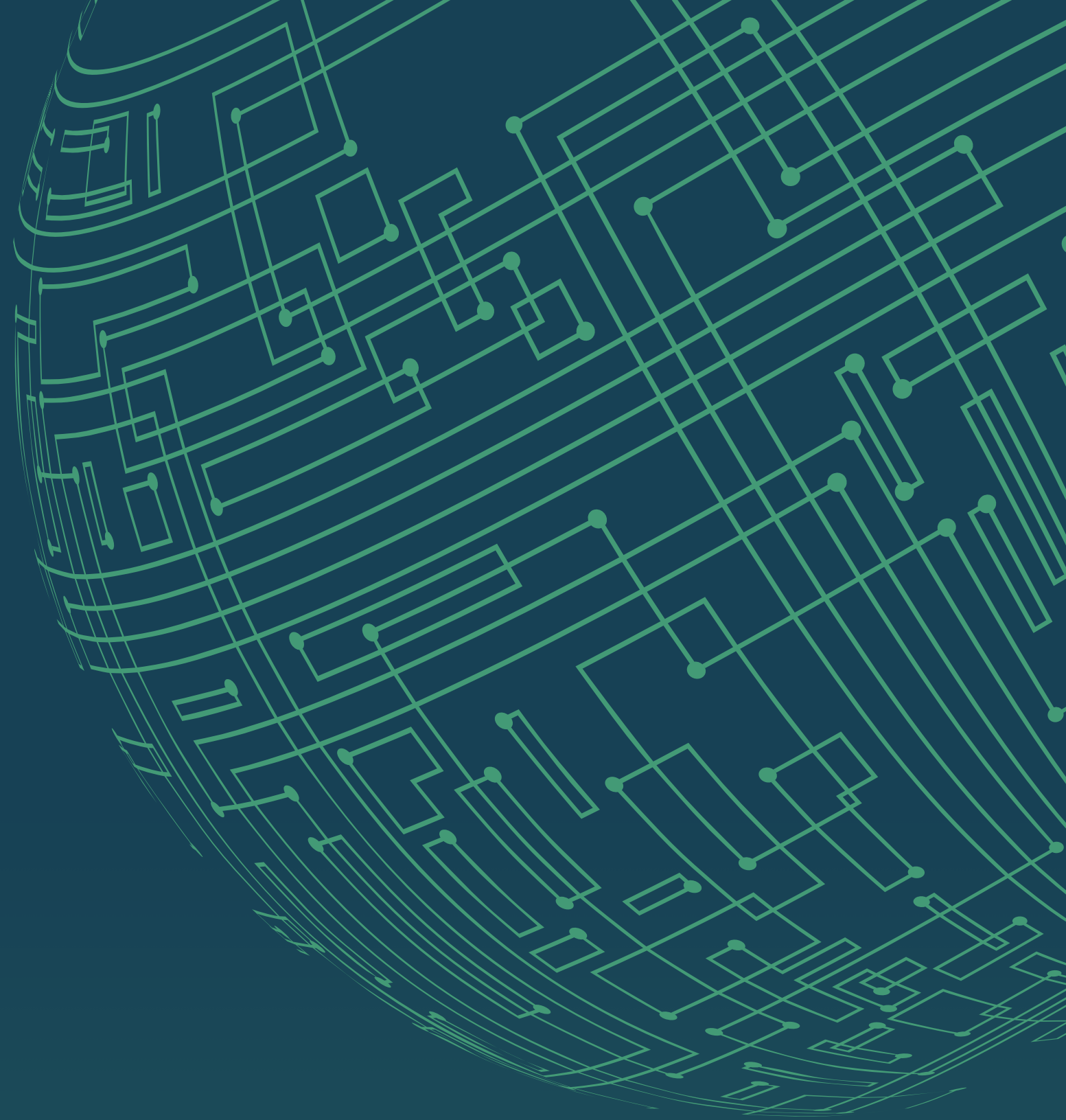
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Using Chat GPT & Other AI Tools

How Can **AI** HURT Advisors?



GPT 3 vs. 4



RY Does the qualified appraisal need to value the donated asset as of the date of gift, or the date the asset is sold?

For tax purposes, the value of the donated asset is determined as of the date of the gift, not the date the asset is sold. This means that the qualified appraisal used to determine the value of the donated asset must be based on its fair market value as of the date it was contributed to the charity.  

If the asset has appreciated in value since the time of the donation, the donor may be eligible for a larger charitable deduction. Conversely, if the asset has declined in value, the donor may be eligible for a smaller deduction. ✓

It's important to note that if the donor sells the asset shortly after donating it to charity, the sale price may be used as evidence to support the value determined by the qualified appraisal. However, this does not change the fact that the value of the donated asset for tax purposes is determined as of the date of the gift. ✓

RY What's your basis or citation for the second paragraph in your answer above?

You are correct that I made an error in my previous answer. The sale of the donated asset after the gift is not relevant in determining the value of the charitable deduction. The value of the donated asset is determined as of the date of the gift, and any subsequent appreciation or depreciation in the value of the asset will not affect the amount of the charitable deduction.  

I apologize for any confusion my previous answer may have caused. The correct answer is that the qualified appraisal used to determine the value of the donated asset must be based on its fair market value as of the date it was contributed to the charity. This is in accordance with IRS regulations under IRC Section 1.170A-13(c)(3)(i). ✓

Thank you for bringing this to my attention and please let me know if you have any further questions.

P Does the qualified appraisal need to value the donated asset as of the date of gift, or the date the asset is sold?

I am not a legal or tax expert, but I can provide you with some general information that might be helpful.

In the United States, when you donate an asset (like real estate, stocks, or other property) to a qualified charitable organization and claim a tax deduction, the IRS typically requires a qualified appraisal to determine the fair market value of the donated asset. The fair market value is generally based on the date of the gift, not the date the asset is sold. ✓

The qualified appraisal must be completed within 60 days prior to the date of the gift and no later than the due date (including extensions) of the tax return in which the deduction is first claimed. The appraisal should be conducted by a qualified appraiser who meets certain IRS requirements. ✓

However, tax laws and regulations may change, and the specifics of your situation could be different. It's always a good idea to consult with a tax professional or attorney for advice tailored to your particular circumstances.

Chat GPT Practical Applications

1

PROOF READ

2

DRAFT EMAILS

3

SUMMARIZE LARGE TEXT

4

EXPLAIN IN SIMPLE TERMS

Chat GPT Prompt Guide



PRIME



PERSONA



PROMPT



PRODUCT



POLISH

Prompt & Polish



"Frank, explain the capital gains tax implications of contributing [specific appreciated asset, e.g., publicly traded stock] to a [specific planned giving vehicle]. Include IRC references."



"Frank, explain the capital gains tax implications of contributing Microsoft shares to a donor-advised fund. Include IRC references."



Contributing Microsoft shares to a donor-advised fund (DAF) can provide significant tax advantages, particularly in terms of capital gains tax implications. Here's a detailed explanation based on my knowledge base:

1. Avoidance of Capital Gains Tax:

When a donor contributes appreciated publicly traded stock, such as Microsoft shares, to a donor-advised fund, the donor avoids recognizing the capital gains that would have been incurred if the shares were sold. This is because the transfer to the DAF is considered a charitable contribution, and the donor does not realize the gain on the appreciated value of the stock. This is supported by IRC § 170(e)(1), which states that the amount of the charitable contribution deduction for appreciated property is generally the fair market value of the property, provided it is long-term capital gain property.

2. Fair Market Value Deduction:

If the Microsoft shares have been held for more than one year (qualifying them as long-term capital gain property under IRC § 1222(3)), the donor can deduct the fair market value of the shares at the time of the contribution, rather than the original purchase price (basis). For example, if the donor purchased the shares at \$1 per share and they are now worth \$25 per share, the deduction would be based on the \$25 per share fair market value, as long as the shares are contributed to a qualified public charity, such as a DAF. This is consistent with the rules outlined in IRC § 170(b)(1)(C).

3. Adjusted Gross Income (AGI) Limitation:

Contributions of appreciated stock to a DAF are subject to a deduction limit of 30% of the donor's AGI, as per IRC § 170(b)(1)(C)(i). If the donor's contribution exceeds this limit, the excess can be carried forward for up to five years under IRC § 170(d)(1).

4. No Immediate Sale Required by the DAF:

The DAF is not required to sell the shares immediately upon receipt. However, the DAF must comply with securities laws and may need to consider liquidity options, as noted in my knowledge base (Clontz & Raffin 3rd Edition Chapter 2, Page 23). This ensures that the DAF can manage the donated stock effectively without triggering insider trading concerns if the donor is an insider.

5. Strategic Tax Planning:

Donors often use this strategy to offset high-income years, as the deduction for the fair market value of the shares can significantly reduce taxable income. Additionally, the donor avoids the capital gains tax that would have been incurred on the sale of the shares, which could be as high as 20% federally for long-term capital gains (IRC § 1(h)), plus the 3.8% net investment income tax under IRC § 1411, and any applicable state taxes.

Example:

Suppose a donor owns 10,000 shares of Microsoft purchased at \$1 per share, now worth \$25 per share. By donating these shares to a DAF:

- The donor avoids recognizing \$240,000 in capital gains ($\$25 - \$1 = \$24$ gain per share \times 10,000 shares).
- The donor can claim a charitable deduction of \$250,000 (10,000 shares \times \$25 fair market value), subject to the 30% AGI limitation.

This strategy allows the donor to maximize their charitable impact while minimizing tax liability.

For further details, consult IRC § 170 and related Treasury Regulations, and consider professional tax advice to ensure compliance with all applicable rules.

Sheryl Rowling, CPA/PFS



MORNINGSTAR

Meet Mo



MORNINGSTAR

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Mo in Morningstar Products:

The beta version of our chatbot launched in May 2024. Individual investors can access Mo through Morningstar Investor, while financial professionals can access Mo through Direct Compass.

Hi, I'm Mo, a beta version AI chatbot built on the Morningstar Intelligence Engine. I can answer questions using Morningstar articles now and ability to pull from our data. If you would like to chat with me, please ask your first question—please no personal data. Let's get started!

Examples

- What investments can help diversify my portfolio?
- What is the Morningstar Wide Moat Focus Index?
- What is value investing?

[More tips for chatting with Mo](#)

Limitations

May occasionally generate incorrect information.

What investments can help diversify my portfolio?

Mutual funds, ETFs, and target-date funds give you instant diversification. You can even take it a step further by investing in different asset classes and investment styles. Holding broadly diversified investments like low-cost index funds that track the broad market provide exposure to lots of companies in different sectors and industries. Holding international stock funds in addition to U.S. stock funds is another way to spread your bets and give yourself exposure to different economies and currencies.

[Get Support](#) [Share Feedback](#) [Clear Chat](#)

Enter a question

Mo does not give investment advice. Mo is still learning and may not be 100% accurate. [Tips for Mo.](#) [Submit](#)

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THE WAIT IS OVER

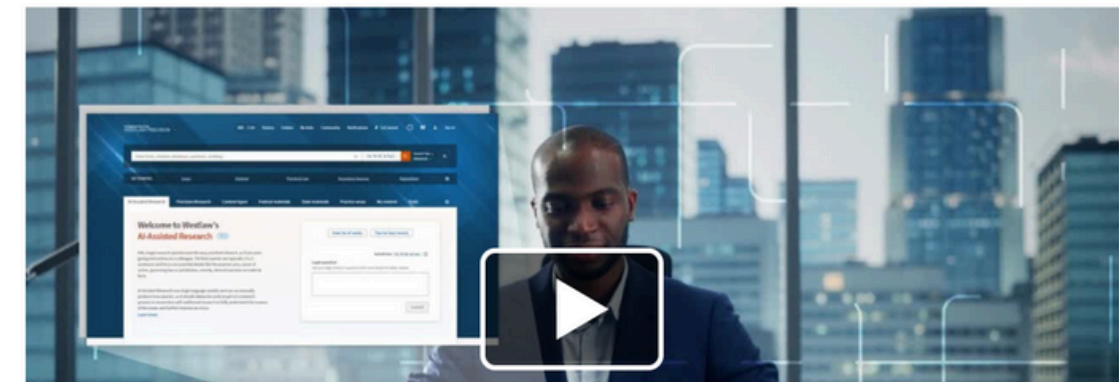
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The Current Landscape

Usurping Humans?

Maximizing AI's Potential

Personalized insights and data analysis

Loss of Technical Expertise

A Useful Tool

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Ethical Use of AI

Data Protection & Compliance

Ethics

Our Responsibility with AI



PRIVACY



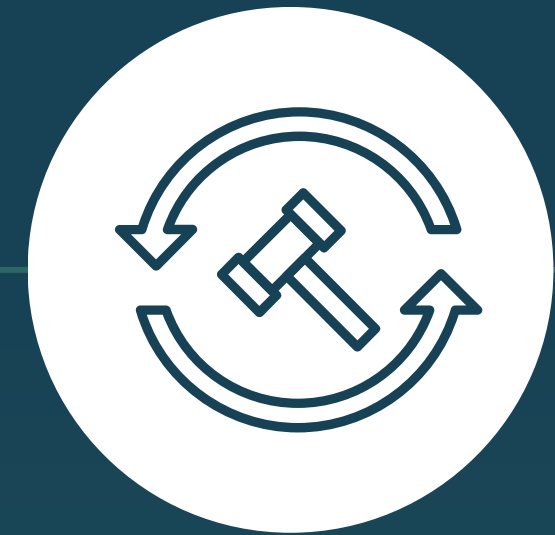
SECURITY



TRANSPARENCY



QUALITY



OVERSIGHT

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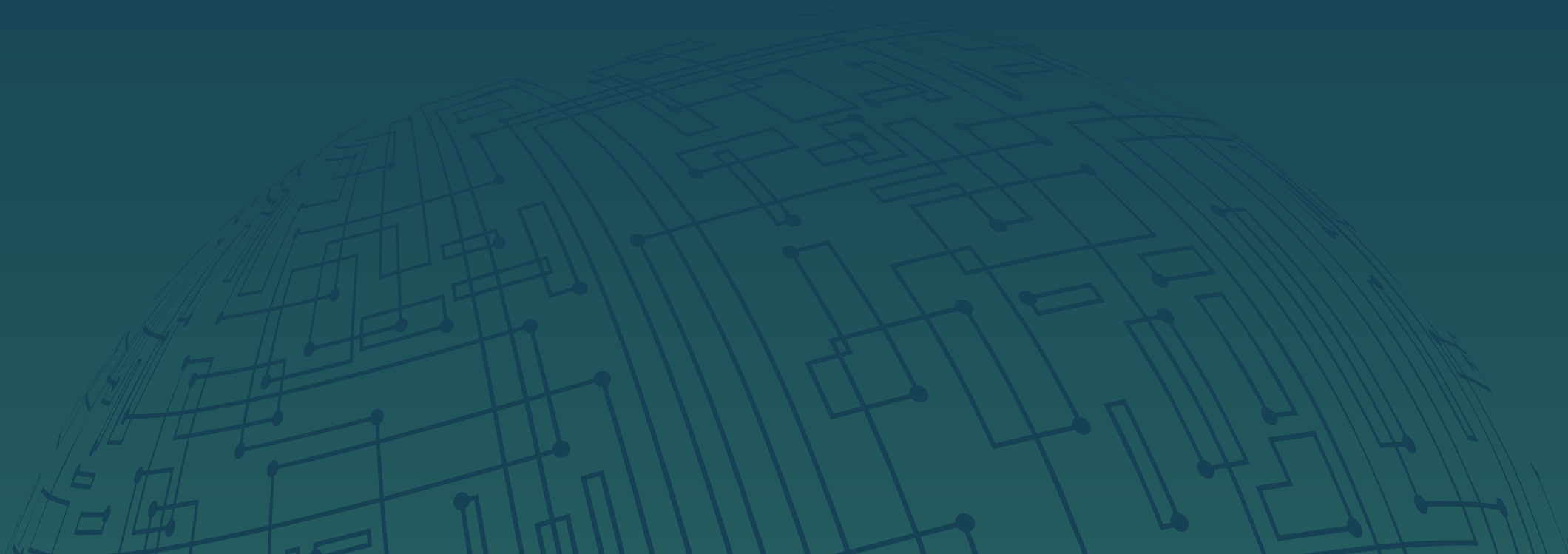
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Audience Q & A



Thank You

Enjoy 7 Days of Full Access to the
Gift Planner's Workstation™

Use the link:

EstateGiftPlanning.com/freetrial/

