

# THE ACORN



## NEWS FROM THE GREATER WORCESTER COMMUNITY FOUNDATION

The Worcester Historical Museum appointed GWCF to manage its new endowment gifts, joining 31 other nonprofit that have established agency funds.

The Museum's investment committee met with Ann Lisi and investment consultant Bill McCarron of Prime Buchholz & Associates before deciding to entrust their capital assets with the Foundation. The first \$415,000 was recently transferred. The Museum's objective is to take advantage of the investment structure and professional management offered by the Foundation.

Josie Shagwert, 22, a Clark University geography graduate, was appointed part-time coordinator of Youth for Community Improvement (YCI).

This is the fourth year of our program engaging young people, ages 12-21, as grantmakers. Along with former YCI member Rachel Rynick, 16, Josie will evaluate YCI's accomplishments and recommend adjustments for the future. She will manage the recruitment of youth for the 2002-03 season, which starts with a retreat in November. Applications for YCI membership will be available after 9/16.

For the first time since the program began in 1978, GWCF received over 500 applications for student aid. Applications arrived in March from 52 of the 62 cities and towns in Worcester County, the region served by our scholarship program. It's tough to turn away anyone who needs help, especially students with great potential, admits Kerry Conaghan, scholarship coordinator since 1997. Fortunately, the volunteers who interview these students make it a kind and personal experience. Eight new funds made awards

this year. Grand total: \$311,177 awarded 215 scholarships from 59 funds.

Ann Lisi was a guest of the Northern Ireland Voluntary Trust (NIVT) in Belfast this past June, one of ten Transatlantic Community Foundation Fellows who served throughout Europe and the U.S. under the auspices of the German Marshall Fund of the U.S. and the King Baudouin Foundation of Belgium. It was an exceptional learning experience. Community foundations look different depending on where they are located. The NIVT works in a challenging context. Peace building has only just begun in Northern Ireland, and NIVT has decided to make its grantmaking and policy development work important contributors to it, commented Lisi. The staff are very knowledgeable. They go where there is little infrastructure and help to create sound organizations the best they can. Beyond that, they use every excuse to bring people together across terrible divides. These are things that any community foundation can learn from.

Nonprofit Support Center (NSC) has chosen Fred Baus of the Colleges of Worcester Consortium as chair of the Advisory Committee, succeeding Patsy Lewis. GWCF Board member Ray Frias joins Eric Buch, Lois Green, Patsy Lewis, Ann Lisi, Kent dur Russell, and Carlton Watson on NSC's advisory committee. BankNorth Massachusetts has committed \$5,000 to underwrite NSC's popular Executive Directors Luncheon program for the coming year.

### WHO WE ARE, ANDWHAT WE DO

The Greater Worcester Community Foundation (GWCF) is a resource that builds healthy and vibrant communities in Central Massachusetts. Since its founding in 1975, it has invested more than \$30 million in cultural, service and civic organizations, and it has built a charitable endowment of \$90 million. For individuals, businesses and private foundations, GWCF offers low-cost stewardship of gifts, professional grants management and the most generous tax benefits provided by law.

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### Distribution Committee

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- Monica E. Lowell
- Donna McGrath

### OUTREACH & EVALUATION VOLUNTEERS HELP US LEARN ABOUT GRANT EFFECTIVENESS

One of the cornerstones of the GWCF's grantmaking process is the work provided by people like Mary Melville of Worcester. She is one of many local volunteers who serve on our Outreach & Evaluation (O&E) committee. They visit local agencies to see programs in action.

I enjoy the chance to visit with people who run programs that I might not otherwise know about. I am glad to help learn how grants are being used, said Mary Melville, who is also a former member of the Foundations

distribution committee. In addition, I often find that organizations want to talk about other needs and ideas. I've had many interesting exchanges at these visits!



Mary Melville (right) and Apple Tree Arts Board President Liz Humphreys at a recent Outreach & Evaluation meeting with Apple Tree Arts, founded in 1989 by a group of parents. Executive director Donna Blanchard, funded by a GWCF grant, has helped to stabilize and expand the organization. Some 60 families receive scholarship aid.

We try to have an O&E volunteer visit every organization we fund, said Michael S. Wronski, program officer, during a recent site visit. They make it a very appreciative interaction. The interviews last for about an hour, plus the time it takes to tour the site and meet with clients. It is a valuable part of our program. I find it useful, since it deepens my own understanding of community issues. Its part of being accountable to our donors and the public.

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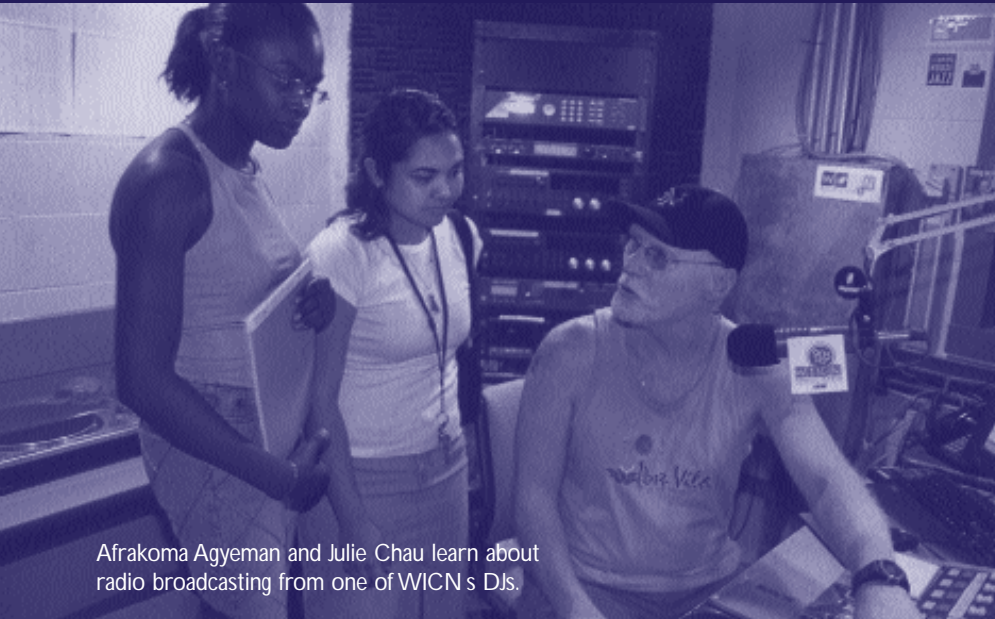
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Apple Tree Arts seeks to make music and art a routine part of early childhood education. GWCF provided funding toward a full-time executive director position. (Pictured: Madison Leonard, age 2. Related story on page 6.)



Afrakoma Agyeman and Julie Chau learn about radio broadcasting from one of WICN's DJs.

## WICN RADIO: REACHING OUT TO THE WORLD

By Afrakoma Agyeman and Julie Chau

*The Foundation participated this summer in YOU, Inc.'s Bruce Wells Scholars program. For five weeks, high school students Afrakoma Agyeman and Julie Chau served as our interns. They helped with event planning, file management and site visits. In July they accompanied staff on a visit to WICN 90.5FM. Here's what they discovered.*

We were filled with excitement when we were invited to interview Brain Barlow, executive director of WICN radio. WICN is a public radio station that plays jazz and folk music and, through web casting, reaches people all over the nation and the world.

Going there without any expectations and with little information about radio stations, we left with big smiles and new knowledge. The station is in the former YWCA. We were fascinated to see that they use the old pool to store their CD and record collection! Brian took us on a tour of the radio station and told us that WICN moved there in 1985.

WICN's goal is to be the Voice of the Arts for Central Massachusetts. WICN hopes to keep its listeners satisfied and entertained. They inform the people of Worcester about upcoming events such as cultural activities, family activities and concerts, especially jazz. WICN sponsors about 40 concerts a year. After these concerts or interviews, they'll do one of the coolest things we've ever seen—they have the celebrity sign their name on a wall with a little message!

We enjoyed the visit to WICN. It was educational and we had a great time meeting the staff. They are so lively and not afraid to follow their hearts. Brian Barlow inspired us because he has had made his dream for WICN become a reality. We hope that one day our dreams will come true for us just like Brain Barlow's have for him.

## TRASHY ART

Walk or drive down Worcester's Main Street past City Hall, cross Chandler Street, and you have entered the newly established Arts District. How can you tell? One visible sign is a modest but significant public art project: trash bins painted by area artists. The project's aim is to encourage litter pick-up and raise public awareness about the district. GWCF contributed a \$1,000 mini-grant to this effort.

Clean streets tell people that someone cares and is doing business here, commented Program Officer Jackie Brousseau-Pereira. We thought it was a good use of our mini-grants. Mini-grants let us quickly help groups test an idea, hold public events or build up new connections in their community. This project met all those criteria.

Coincidentally, one of the artists selected to adorn a trashcan was Nichols Chambers, a 2002 recipient of the Foundations Richard W. Pierce Scholarship. He will be attending the Art Institute of Boston at Lesley University.

(l to r) Christopher W. Bramley of Banknorth, Kallin Johnson of ArtsWorcester, and Nichols Chambers next to his winning design.



## INTERVIEW WITH PRESIDENT MICHAEL D. BROCKELMAN

*Michael D. Brockelman was elected in May as the Foundations eighth President, succeeding Sarah G. Berry. Mike is a partner and practice area leader of the Estate, Financial and Tax Planning Group at the law firm, Bowditch & Dewey in Worcester. He oversees the firms Trust Department, which has over \$250 million in assets under management.*

We recently caught up with Mike to discuss his new role.

### How did you first get involved with the GWCF?

I was a tax lawyer and worked with Harry Dewey who was legal counsel to the Foundation and one of its founders. Shortly after the Foundation was started, the IRS came out with new regulations affecting donor advised funds. I extensively researched the issue and even went down to Washington, D.C. to learn more. There was a need to prevent private foundations from enjoying the same tax advantages as community foundations.

I was appointed to the Distribution Committee in 1988 and served as its chair for a few years. It was an excellent way to learn about all the wonderful organizations doing good work in the community, many that I'd never heard of. I also found this a very humbling experience. Having the power to decide who does and doesn't receive a grant is serious business.

### What are your goals for the Foundation during your tenure as President?

Our mission says it all—to increase philanthropy so that Worcester County is a better place to live and work. There are specific issues we may become more involved in, such as housing and promoting a more inclusive community. A few years ago I volunteered to participate in an intensive weekend retreat on inclusion sponsored by GWCF. I learned a lot. I think one of the best ways to promote a more inclusive community is to make sure we have good jobs and an opportunity for personal and economic advancement here.

Another goal is for the Foundations assets to reach \$100 million. This isn't just a number. Our assets dictate our grantmaking capability. By increasing our asset size we increase our ability to make a positive difference.



### What are our strengths and challenges in reaching these goals?

The main challenge we face is the downturn in the economy. It means we can't afford to do everything we might like to do. Another challenge is maintaining good, open lines of communication between the Foundation and the nonprofits and our donors. We need everyone to understand what a good job we're doing.

The Foundation has many strengths. We are a local organization, run by local people. We have over 250 Corporators who serve on committees and are our ambassadors to the community. I feel increasingly confident that those we involve will reflect the diversity found in our community.

### There are lots of changes in philanthropy. Donors want to be more involved with their giving; personal mobility means families don't stay in the same place. How do these things affect GWCF?

Mobility and donor involvement can be a plus for GWCF. In the past, people with deep interest in the community might have started a private foundation. Now a donor advised fund at the GWCF gives people a way to support their hometown and leave something for the community the original donors cared about.

### Is there anything else you'd like to say?

I have been involved with the Foundation virtually from the beginning. It is an exciting, dynamic organization that is constantly looking for new ways to improve our community. The Nonprofit Support Center is an example. Its services help nonprofit managers and boards do their work better. Our challenge grant from the Massachusetts Environmental Trust gave us the means to create an environmental endowment for our region. These are just a few of the things the Foundation has done recently. I look forward to what the future holds and will give it all I've got.



Development Officer Audrey Klein-Leach.

**WHEN A CHARITABLE TRUST BEATS A STRETCH IRA** A fundamental estate planning principle is that after a person's death, distributions from his or her retirement should remain in a tax-sheltered environment, increasing the investment income for the beneficiaries.

In order to defer distributions over the longest possible time period, estate planners generally focus all of their attention on the minimum distribution regulations for retirement plans that were issued in April 2002. Their usual objective is to establish a stretch IRA upon the account owner's death. If certain conditions are met, payments from a decedent's IRA may be stretched over the life expectancy of the beneficiary—potentially a very long time!

**The Challenge of Multiple Beneficiaries** Although the final regulations make it much easier to have a stretch IRA compared to the old rules, a significant challenge exists when there is a sequence of beneficiaries (e.g., to A for life, then to B for life). This situation appears most often with a surviving spouse (payments to spouse for life, remainder to children). If there are multiple beneficiaries, the stretch IRA regulations require distributions to be made over the life expectancy of the oldest beneficiary (the surviving spouse). The IRA will likely be depleted when the oldest beneficiary dies. How can an IRA make distributions over the lives of the younger beneficiaries?

**Charitable Trust Solves the Problem** A solution to this challenge: a charitable remainder unitrust (CRUT). A CRUT can benefit a series of individuals for life and then distribute the assets to a charity when the last beneficiary dies. Like an IRA, a CRUT pays no income tax. Unlike an IRA, the term of a CRUT can exist until the last of the multiple beneficiaries dies, which will usually be the youngest beneficiary. Consequently, a CRUT will usually defer distributions from a decedent's IRA longer than a stretch IRA can anytime that there is a sequence of beneficiaries. The benefits will usually be greatest if there is a significant age difference among the beneficiaries or if one of the beneficiaries is elderly.

Under the right set of facts, the family will be better off. In addition, a charity will benefit.

By Prof. Christopher R. Hoyt, University of Missouri School of Law, reprinted with permission. Hoyt is counsel to the Kansas City Community Foundation and author of "The Legal Compendium for Community Foundations." For more on this topic, see Hoyt's articles in the May 2002 issue of *Trusts and Estates* magazine and the March 2002 issue of *Planned Giving Today*.

## PROFILES IN GIVING



Herb and Jayne Cohan

**COHAN BROTHERS FIND NEW HOME FOR THEIR FAMILY FOUNDATION: DONOR ADVISED FUND PROVIDES THE ANSWER** Long-time Worcester residents and partners in the accounting firm started by their father, Herb and Paul Cohan enjoyed running the family's private foundation. But as their business completed a merger and their families took on new endeavors, managing a foundation became more burdensome. They no longer found much satisfaction in the day-to-day foundation management.

Both brothers wanted to stay involved in charitable giving and to maintain an active foundation. They found the answer after meeting with the GWCF. Their solution was to make a charitable distribution of the private foundation's assets to establish two donor-advised funds with us. Each brother maintains the privilege of serving as a grant-making advisor for his named fund.

Once we made the decision to keep the foundation going in some form, it was easy to do using the GWCF. They take care of it all. Any additional gifts we make to the Fund receive more favorable tax treatment. The fees are less than we were spending, too, commented Herb Cohan. It was a real win for my brother and me.

*For information about the benefits of transferring your private foundation into a Donor Advised Fund, contact Audrey Klein-Leach, (508) 755-0980, ak@greaterworcester.org.*