



SANDHILL
INVESTMENT MANAGEMENT

Year-End Advisor Checklist

Helping your clients with strategic year-end financial planning is a great way to prove your value as a financial advisor. This checklist can act as a guide for these conversations to assist you in more effectively identifying opportunities worth exploring.

Adhering to these objectives can provide the confidence you need to help your clients close out the calendar year on a high note.

Four Focus Areas for Year-End Conversations

Investment and Portfolio Analysis: Is your client's investment strategy aligned with their objectives, risk tolerance, and tax efficiency?

Tax Preparation: Is your client well-prepared for upcoming tax deadlines?

Estate Planning: Is your client's financial legacy safeguarded by a well-structured estate plan, will, trust, and/or beneficiary designation(s)?

Gifting Strategies: Has your client considered elements of legacy planning, such as engaging in familial gifting or making charitable contributions?

Investment & Portfolio Analysis

- Portfolio Review:** Conduct a comprehensive review of investment portfolios to assess performance, risk tolerance, and alignment with financial goals while exploring potential rebalancing or reallocation needs.
- Tax-Efficient Investing:** Consider tax-efficient strategies such as tax-loss harvesting to offset gains with losses and minimize tax liabilities.
- RMD Execution:** Calculate RMD amounts for clients to avoid penalties.
- Income Planning:** Assist in projecting income needs for the upcoming year and recommend appropriate withdrawal strategies for retirement accounts.
- Asset Location:** Optimize asset location by placing tax-efficient investments (municipal bonds) in taxable accounts and placing tax-inefficient assets (corporate bonds, REITs, other income-producing assets) in tax-advantaged accounts.

Tax Preparation

- Tax Bracket Analysis:** Analyze current tax brackets, explore ways to minimize tax liabilities, and evaluate opportunities for income-splitting among family members.
- Tax Management Strategies:** Implement strategies to either incur or defer income and adjust deductible expenses as needed.
- Anticipating Tax Changes:** Consider potential changes in tax rates and how this will impact income for the upcoming year.
- Capital Gains and Losses:** Review realized and unrealized capital gains and losses for the year to uncover potential tax-loss harvesting opportunities.
- Tax Preparer Collaboration:** Work closely with skilled tax preparers to align charitable contributions with income tax objectives.

Estate Planning

- Estate Plan Review:** Analyze clients' existing estate plans, including wills, trusts, and beneficiary designations to ensure that documents align with current wishes and financial circumstances.
- Documenting Intentions:** Help articulate intentions, including the selection of executor, trustee, agent, and beneficiary while securing documentation storage and access protocols.
- Legacy Planning:** Explore strategies for transferring wealth efficiently to future generations, such as establishing dynasty trusts or utilizing generation-skipping transfer (GST) tax exemptions.
- Healthcare and Long-Term Care:** Discuss the importance of reviewing and updating healthcare directives, powers of attorney, and end-of-life documents regularly.
- Life Insurance Assessment:** Evaluate the continued necessity and suitability of life insurance policies, weighing factors like inheritance protection, liquidity creation, income tax advantages, and support for buy-sell agreements.

Gifting Strategies

- Charitable Contributions:** Explain that deductibility varies based on income, the nature of assets donated, and the amount contributed. Examine charitable giving goals and explore tax-efficient methods, such as donor-advised funds or appreciated securities donations.
- Available Tax Benefits:** Explore approaches to leverage the 2023 lifetime gift tax exemption to potentially optimize income tax implications and facilitate multigenerational financial planning.
- Investing in Education:** Consider 529 accounts and the tax-advantaged growth they provide for qualified academic expenses. Clients can "superfund" the 529 account by transferring up to five years' worth of annual gifting (\$85,000/\$170,000).
- Qualified Charitable Distributions:** Up to \$100,000 per year still available (although not deductible).

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