

Putting Your Priorities First

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LEARNING ABOUT TOOLS THAT CAN HELP
YOU MEET YOUR FAMILY GOALS WHILE
SUPPORTING YOUR FAVORITE CHARITIES

**The three most important
priorities in your life:**

**FAITH
FAMILY
COMMUNITY**

A popular definition of planned giving

Using existing, IRS–approved charitable vehicles to structure gifts that address a donor’s needs and goals in a way that can redirect taxes to family and community, usually funded with appreciated assets. Such gifts can be revocable or irrevocable, immediate or deferred and are designed to be mutually beneficial.

Respective Priorities

Donor

1. *Faith*
2. *Family*
3. *Community*
 1. *Charity A*
 2. *Charity B*
 3. *Charity C*
4. ***Government***

Reality

1. ***Government***
2. *Community*
1. ***Gov. Programs***

Charity

1. *Its Mission*
2. *Its Donors*
3. *Its Family*
4. ***Government***

What are your needs?

Having guaranteed fixed income?

Having a variable income?

Avoiding/minimizing capital gains tax?

Getting assets to your heirs?

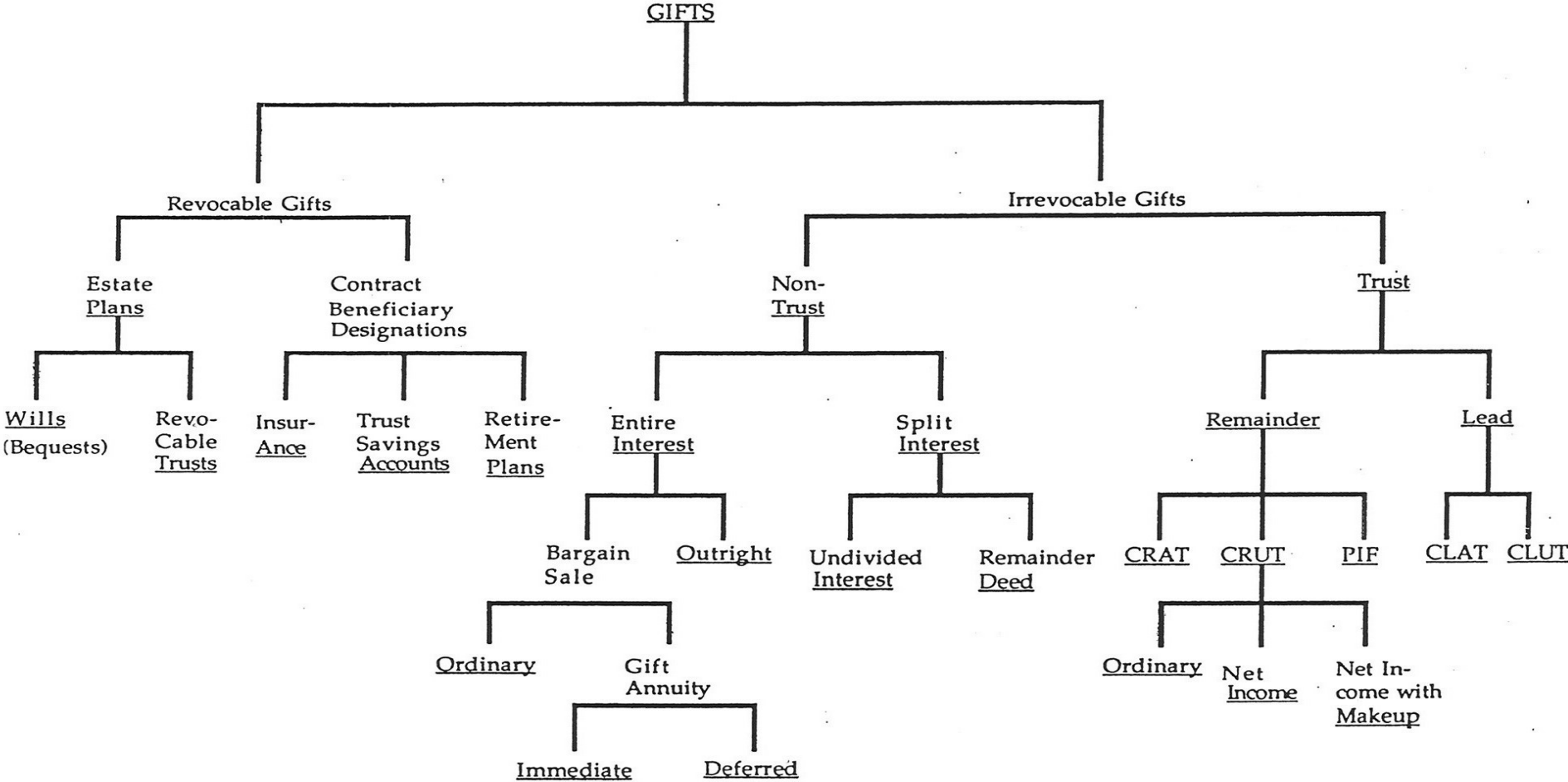
RMD distributions and avoiding tax?

What you own

How to give

Cash (IRAs, CDs, Savings, etc.)	Bequest
Stock	Beneficiary designations
Real Estate	Outright
Tangible Property	Annuity
Royalties	Bargain Sales
Insurance Policies	In-Kind
Companies	Charitable Trusts
Rights	Partial Interests

The tools in the toolbox



Outright Gift

You irrevocably give a charity an asset now, giving up all control over the asset

- *You receive charitable tax deduction*
- *Capital gains tax is forgiven*
- *Asset is removed from your taxable estate*
- *The charity receives immediate support*

Qualified Charitable Distribution

You irrevocably transfer up to \$105,000 in Traditional IRA assets to a charity now (must be 70.5 years of age)

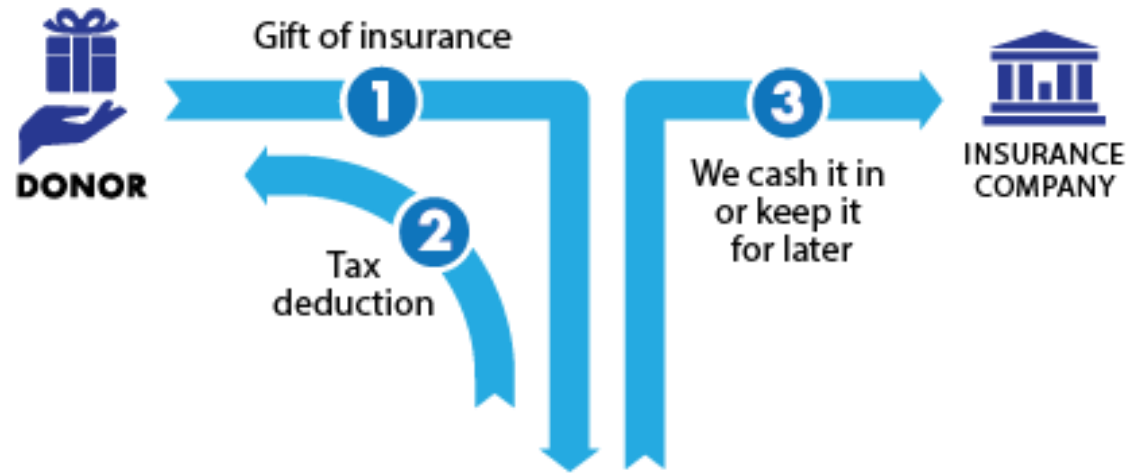
- *The gift counts toward your required minimum dist.*
- *Up to \$53,000 can be used to set up a gift annuity*
- *You use tax-deferred dollars to make your gift*
- *The charity receives immediate support*



Bequest

Commit now, give later through will or trust

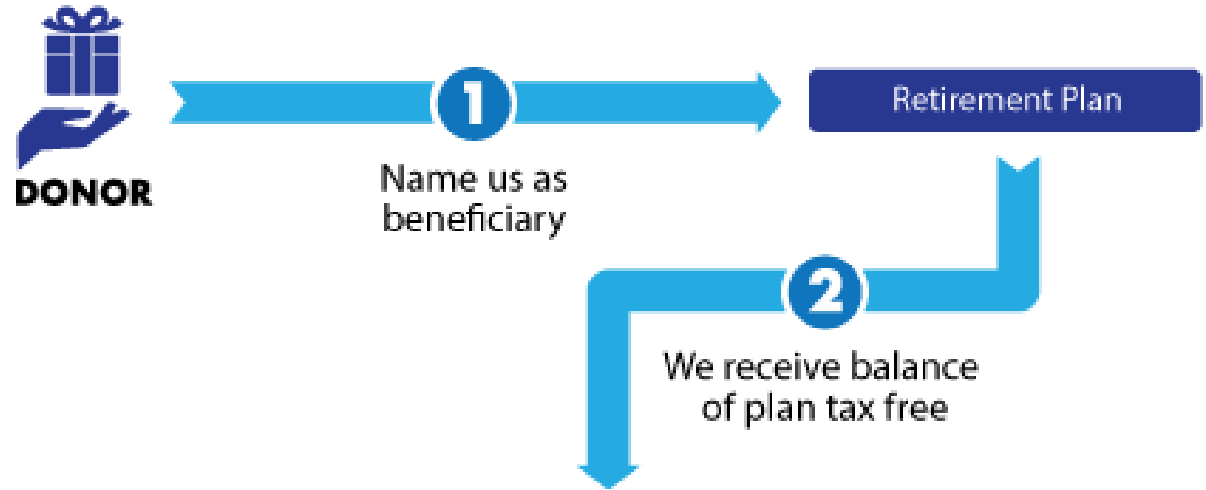
(Donor, can change mind until death)



Life Insurance

A contract with a life insurance company to pay a predetermined death benefit to one or more charities.

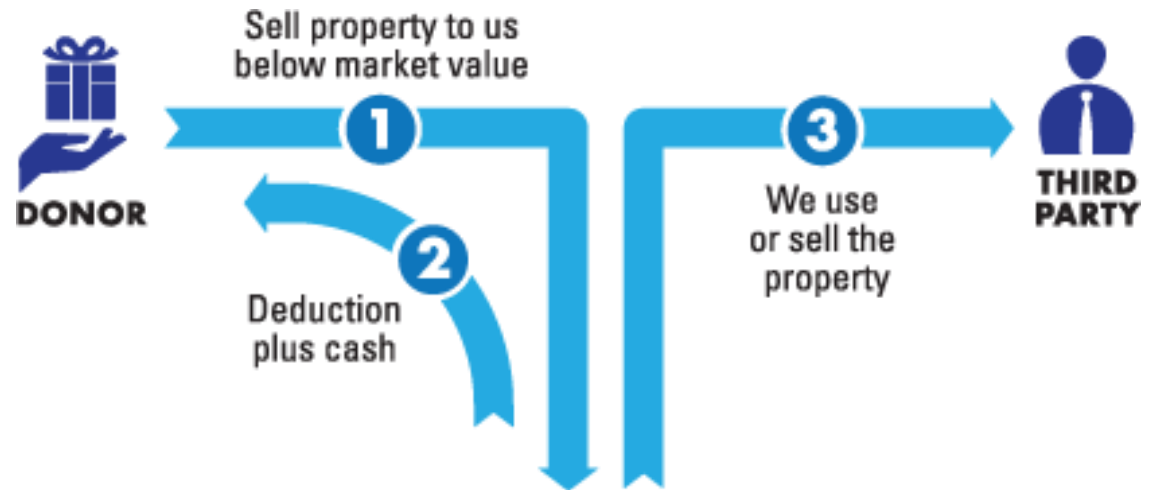
- Simple
- Uses funds that may no longer be needed
- *Whole life* provides income tax deduction
- Removes asset from your estate
- The charity gets gift at your death, and in the right circumstances.



Retirement plan beneficiary designation

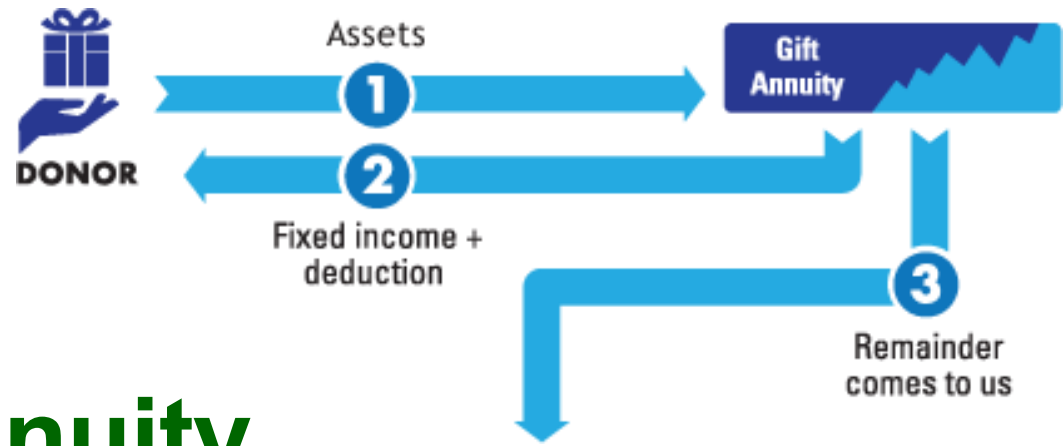
Simple as signing a beneficiary designation form

(You can change your mind until death)



Bargain Sale

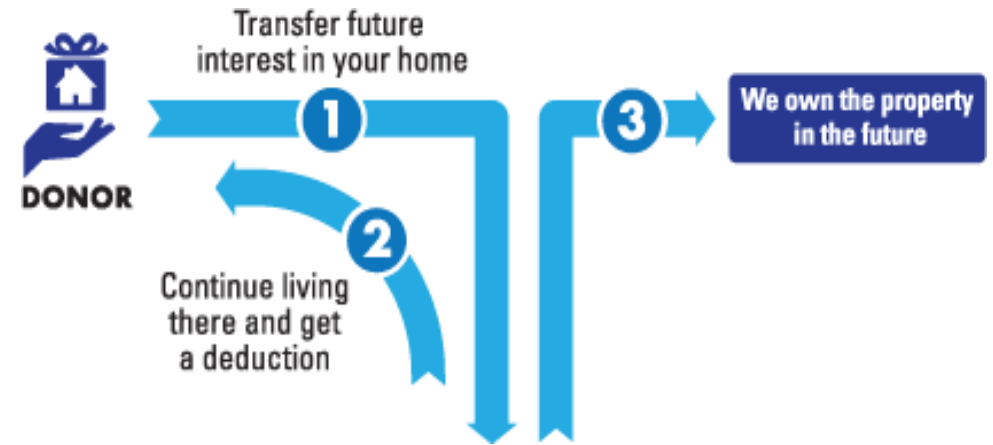
1. You sell property to a charity at less than FMV
2. You receive a tax deduction for the difference
3. The charity sells property at fair market value with the difference being a gift to the charity



Charitable Gift Annuity

A contract with a charity that pays you a fixed income for life in return for a lump sum payment.

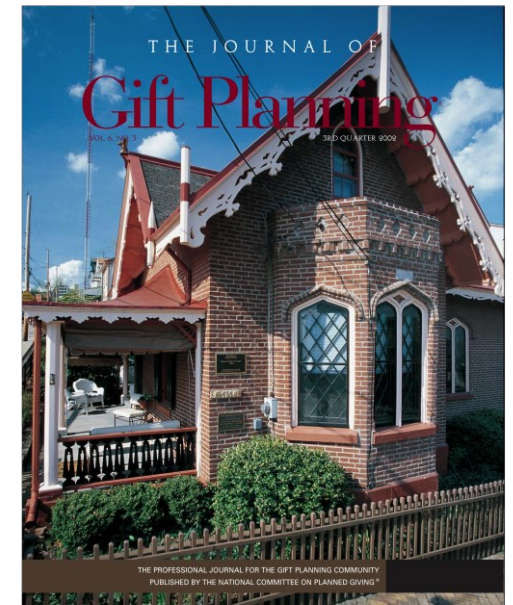
- *Can be funded with IRA assets that meet RMD obligations*
- *Higher payouts based on age (deferrable)*
- *All assets are secured by all assets of the charity*
- *Immediate federal income tax deduction (non-IRA)*
- *Income usually has tax-free component*
- *Capital gains averaged over donor life expectancies*



Retained Life Estate

You irrevocably give house/farm to a charity, the charity gets property after a period of years or at your death and directs proceeds to its mission.

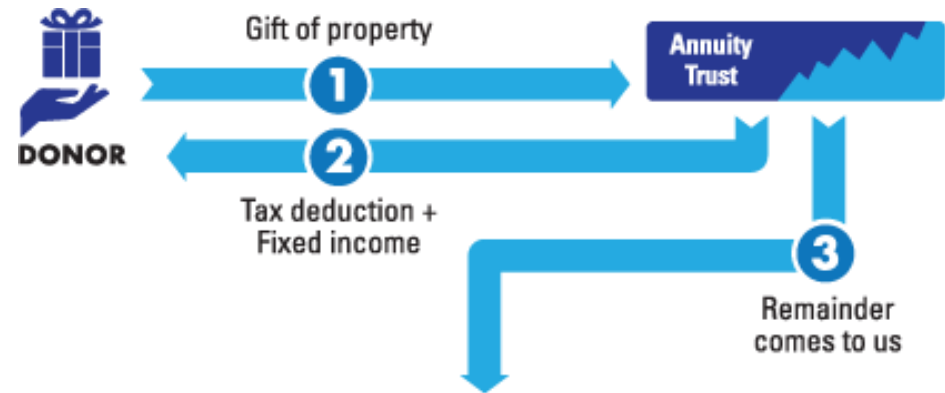
- *You retain control of the property during your life*
- *You receive a current income tax deduction/capital gains tax forgiveness*
- *The asset is removed from your estate*



Charitable Remainder Trust

A gift of assets to a trust that pays fixed or variable income to a you/spouse for life or up to 20 years, with the remainder going to charity.

- *Annual income of at least 5% of corpus*
- *Immediate forgiveness of capital gains tax*
- *Diversification of non-liquid assets*
- *Removal of gifted assets from your estate*
- *Immediate pro-rata income tax deduction*



Charitable Remainder Annuity Trust (CRAT)

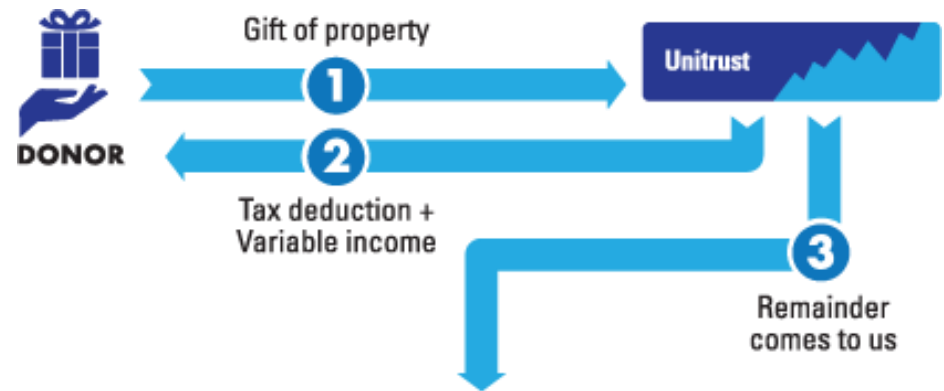
You put assets in a CRAT

CRAT sells assets

CRAT income is used to pay income to you

Assets removed from estate, capital gains tax avoided

Significant gift to charity at end of term



Charitable Remainder Unitrust (CRUT)

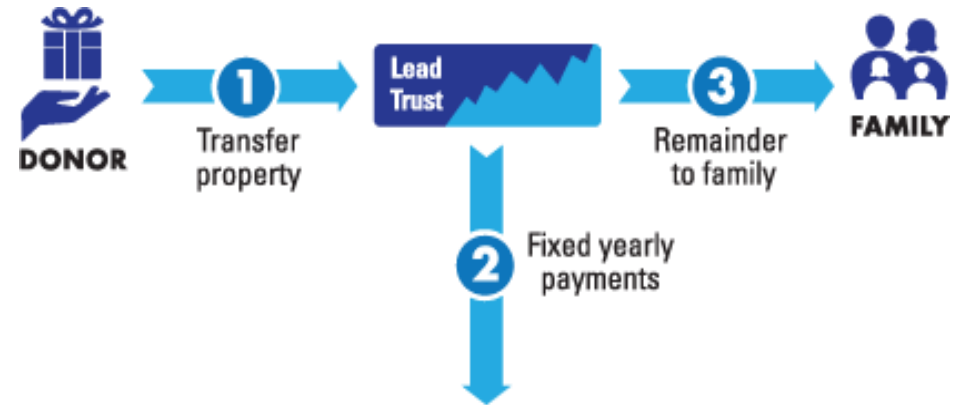
You put asset in CRUT

CRUT sells property, invests proceeds

Trustee manages funds

You avoid capital gains tax hit, get term-of-years or life income stream and an immediate federal income tax deduction

Charity gets CRUT remainder



Charitable Lead Trust (CLT)

A trust created for a period of years or your life, income from which is directed to a charity and the corpus is usually directed to your heirs.

- *Can result in greater inheritance for your heirs*
- *Can provide significant estate tax deductions*
- *Can leverage income tax deductions for you*
- *Provides a charity with a series of annual gifts*

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