

Charitable Bequests

Most common form of planned gift; directions in a will or trust to fund a gift at death; can be structured in a number of ways (specific dollar amount, percentage of estate or residue); pair with a “matching bequest” program

Benefit to Donor: Use of property for life; allows a more generous gift; flexibility; memorializing a loved one; estate tax savings

Benefit to Organization: Good vehicle for endowing annual gift; insure payment of any outstanding pledge amounts; provide for future needs; “easier” ask

Retirement Assets, IRAs

Donor names organization as primary or contingent beneficiary of IRA, 401(k) or other qualified retirement plan; donors over age 70 ½ may make direct charitable distribution from required minimum distribution (up to \$100,000). Good asset to use for charitable gift because has built-in income tax for other beneficiaries.

Benefit to Donor: Income tax and estate tax savings; flexibility; designation at death does not cut into donor’s cash needs

Benefit to Organization: Current and future benefits from donors at both ends of age spectrum

Appreciated Securities

Donor transfers appreciated securities; receives income tax deduction at fair market value; no capital gains consequence to donor or to organization upon sale of securities

Benefit to Donor: Full fair market value income tax deduction; avoidance of tax on capital gains; removal of asset from estate; does not impact donor’s cash needs

Benefit to Organization: Current use of asset with little or no additional cost to the organization

Life Insurance

Donor designates organization as primary or contingent beneficiary of policy. May also transfer ownership to organization (must be a paid-up policy).

Benefit to Donor: Estate tax savings; does not impact donor’s cash needs; income tax deduction on transfer of ownership

Benefit to Organization: Attend to future needs of the organization; attractive for donors at both ends of age spectrum

Real Estate

Donor gives a partial or complete interest; consider primary residence, office, and/or deposit on assisted living facility. (NOTE: Gifts of real estate require careful legal and environmental review and appraisal)

Benefit to Donor: Income, capital gains, and estate tax advantages; potentially retain use of property for life (personal residence/farm); does not impact donor’s cash needs

Benefit to Organization: Leverage giving from “cash poor” donor; may sell upon receipt; no capital gains tax upon sale of appreciated property; value added, but can be complicated;

Other Property

Direct gifts of “mission related” use property or readily marketable property; gifts of tangible personal property (artwork, antiques, etc.) (NOTE: Gifts of tangible items require careful legal review and appraisal)

Benefit to Donor: Income tax and estate tax advantages; does not impact donor’s cash needs

Benefit to Organization: Leverage giving from “cash poor” donor; value added, but can be complicated; appraisal and policy recommended

Charitable Gift Annuities

Donor (and one other individual if they choose) makes contribution and receives a fixed annuity (set dollar amount) for a term of years; can be funded with cash and/or securities; can be immediate or deferred

Benefit to Donor: Receipt of annual income; income, estate, and capital gains tax benefits; "simpler" version of charitable remainder trust

Benefit to Organization: Receipt of property in future, perhaps more than donor would otherwise have given; "simpler" version of charitable remainder trust

Pooled Income Funds

Donor invests in a pooled fund (invested by organization); receives shares of fund proportional to donor's investment; donor receives annual income for life according to shares held; at donor's death, the shares are given to the organization.

Benefit to Donor: Receipt of annual income; investment opportunities/diversification; no gain on sale of appreciated assets

Benefit to Organization: Receipt of property in future, perhaps more than donor would otherwise have given

Charitable Remainder Trusts

Donor (and one or more individuals if they choose) receives fixed annuity (set dollar amount) or unitrust amount (set percentage of then current value) calculated annually for a term of years or for one or more lives with remainder to organization; can be funded with cash, securities or other property

Benefit to Donor: Receipt of annual income; income, estate, and capital gains tax benefits; greater tax savings when interest rates are higher

Benefit to Organization: Receipt of property in future, perhaps more than donor would otherwise have given

Charitable Lead Trusts

Organization receives fixed annuity (set dollar amount) or unitrust amount (set percentage of then current value) calculated annually for a term of years with remainder to non-charitable beneficiaries (children, etc.); can be funded with cash, securities or other property

Benefit to Donor: For donors who do not have current need for income, potential for substantial estate and gift tax benefits; greater tax savings when interest rates are lower

Benefit to Organization: Immediate receipt of annuity amounts

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