

Create Your Legacy

Sponsored by Holy Cross Village Foundation
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Ways to Give to Charity

SIMPLEST

During lifetime:

1. Cash. Write a check (or go online!)
2. Appreciated securities. Give stock with low tax basis to charity. Charity sells the stock and avoids the capital gain. Donor gets charitable deduction.
3. Charitable IRA Rollover. Direct ("rollover") gift to charity from IRA. Not included in taxable income. Donor must be 70 1/2. Limit \$100,000 per year. (If you don't need your required minimum distribution, then let it, or some of it, roll directly to charity.)

At death:

1. IRA or other retirement plan. List charity as beneficiary. Avoids income and estate tax.
2. Bequest under will/trust.
3. Beneficiary designation or transfer on death ("TOD") designation. Annuities, investment accounts, life insurance, etc.

STILL PRETTY SIMPLE

1. Charitable Gift Annuities. Simple agreement between charity and donor. Charity pays donor an annuity for life or for a set period of time; residue to charity. Rates are favorable. Donor gets charitable deduction for value of charitable gift (residue).
2. Donor-Advised Fund. Endowment-type of gift. Donor puts money in fund. Fund pays out annually to charities (usually 5% annual payment). Good place to get families involved in charitable giving.
3. Charitable Funds at Fidelity, Vanguard and others. Like donor-advised fund through community foundations. Easy to set up and administer.

MORE COMPLEX

1. Split Interest Gifts.

- a. Charitable Remainder Trusts. Like gift annuity but donor retains more control over investments and where the money goes at death of donor.
- b. Charitable Lead Trust. Just like CRT but the opposite: charity gets the upfront payments for a certain number of years; donor (or another beneficiary) receives the residue.

2. Family Foundation.

Usually funded with a large amount of money (such as \$5 million or more). Can be a great way to have donor's family legacy of charitable giving carry down through the generations. Rules and regulations have to be followed closely.



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