



**Planned Giving  
Presentation**  
for  
**San Francisco Fundraising Summit**



CENTER FOR  
NONPROFIT  
SUCCESS

October 28, 2009

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**Welcome**

**Planned Giving**  
Defined as any asset given by a donor that maximizes the benefits for the donor and the charitable institution  
.....AND  
the culmination of  
tax, investment, retirement, estate and charitable planning would also aptly apply!

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**Charitable Donations**

- Americans are a generous people
- \$308 Billion in 2008 total giving
- \$230 Billion in individual giving
- \$53 Billion donated to Education, Arts, Cultural, and Humanities Organizations

Source: Giving USA Foundation, 2008 Report

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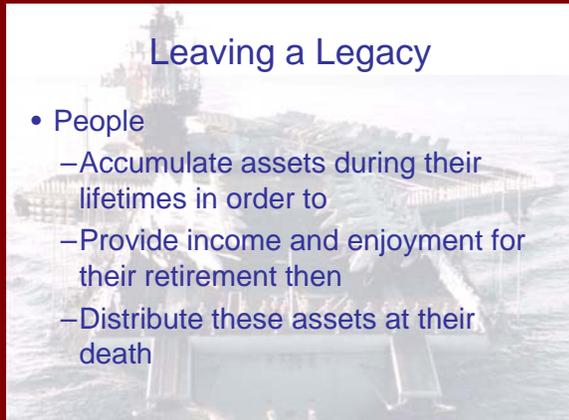
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### Leaving a Legacy

- People
  - Accumulate assets during their lifetimes in order to
  - Provide income and enjoyment for their retirement then
  - Distribute these assets at their death

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### Leaving a Legacy

- Three Choices
  - Friends, Family
  - Charitable Institutions
  - The State

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### Leaving a Legacy

- Participate in and
- Acknowledged by their
- Charitable Institution during their lifetime
- “Do your giving while you’re living  
...So you’re knowing where it’s going”

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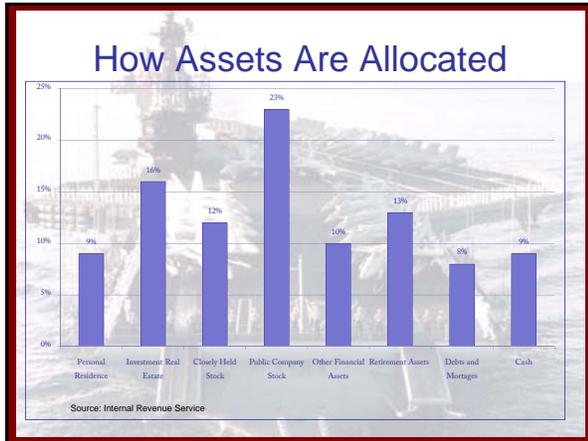
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- ### Midways of Giving
- Professional Advisors
    - Financial Planners
    - Attorneys
    - CPA's
    - Trust Officers
    - Life Insurance Agents and Brokers
    - Real Estate Agents and Brokers
  - All need to understand the foregoing gifting techniques !

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- ### Cash
- Easiest donation to make
  - Full deduction for gift – limited to 50% of adjusted gross income
  - Unused deduction may be taken up to 5 years into the future

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### Bequests

- Most popular planned gift
- Made through a will or trust
- Specific dollar/asset
- Percentage or residual of estate
- Payable to the Charitable Institution upon your death
- Revocable during your lifetime

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### Sample Language

- **Percentage gift:** Name the *Charitable Institution* as a percentage beneficiary in your will or trust. *Sample language:* "I hereby give, devise, and bequeath an amount equal to \_\_\_\_\_% (\_\_\_\_\_ percent) of the total value of my estate to the *Charitable Institution*."
- **Specific gift:** Name the *Charitable Institution* as beneficiary of a specific monetary amount from your estate or a specific asset or group of assets (such as securities, real or tangible property) from your estate. *Sample language:* "I hereby give, devise, and bequeath a monetary amount of \$\_\_\_\_\_ to the *Charitable Institution*."
- **Residuary gift:** Name the *Charitable Institution* as a residuary beneficiary in your will or trust. The residuary of your estate is any property that is not specifically left to someone and that which remains in the estate after all estate costs have been deducted. *Sample language:* "I hereby give, devise, and bequeath the residuary of my estate to the *Charitable Institution*."

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### Appreciated Securities

- Saves capital gains tax
- Full tax deduction – limited to 30% of adjusted gross income
- Unused deduction may be taken up to 5 years into the future
- Donate online: [www.AssetStream.com](http://www.AssetStream.com)
- <https://sample.giftprocessingcenter.org/calculator/calculator>

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### Real Estate

- Residential, commercial, agricultural or underdeveloped land make great gifts
- Deduction based on fair market value appraisal of donated real property
- Acceptance of gift requires the approval of the Charitable Institution's Board of Directors

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### Retained Life Estate

- Deed your home or vacation property
- Receive income tax deduction
- Retain the right to live in your house for the rest of your life
- Donors do not pay rent, however they are responsible for property upkeep
- Make a significant donation to the charitable institution without disturbing current living arrangements or cash flow

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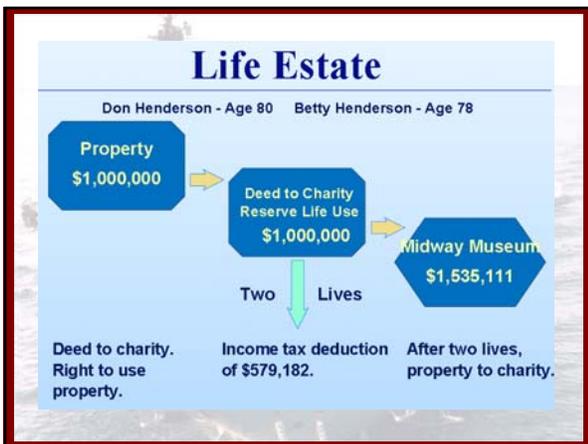
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### Retained Life Estate with Income

- Need additional income
- Prefer income deduction
- Home is debt free
- Wish to remain in home ... then
- An Annuity for Home may work

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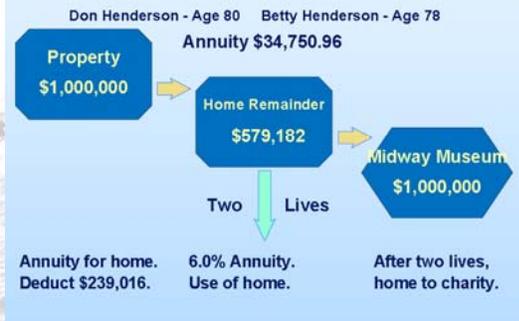
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### Annuity For Home



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### Charitable Bargain Sale

- Sell Property at discount to Charitable Institution
- Lump sum or installment payments
- Receive income tax deduction for difference between FMV and sale price
- Avoids capital gains tax
- Independent appraiser determines purchase price

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### Charitable Gift Annuities

- Donor contributes cash, securities or real estate
- Receives fixed payments for lifetime(s)
- Most popular life income gift
- Present income tax deduction
- Each payment is partially tax-free

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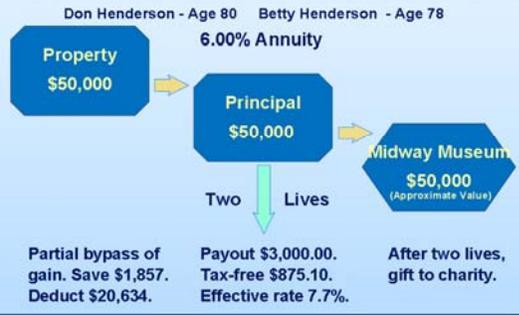
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### Gift Annuity



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### Charitable Remainder Trusts

- Donor contributes assets to trust
- Defers or eliminates capital gains tax
- Receives present income tax deduction
- Generates income stream
- Payments are fixed amount or percentage
- Terms made for beneficiaries lifetime, up to a term of 20 years, or combination of both
- Charitable Institution receives asset at end of trust term
- Asset removed from donor's estate

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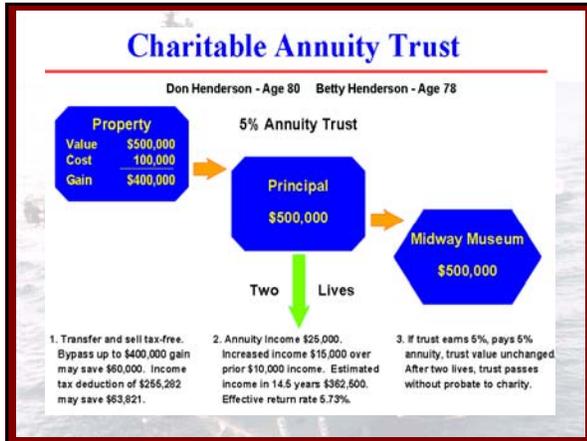
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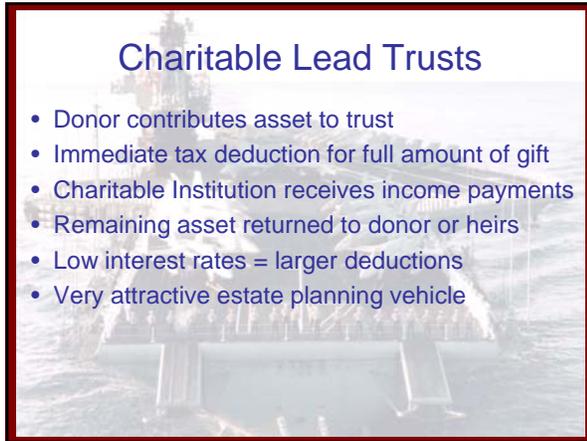
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### Life Insurance

- Donate existing policy
- Receive deduction for policy cash value
- Deduct any future premium payments
- Single Life / Premium, Survivorship Life
- Policy proceeds removed for estate
- Great gift leverage “pennies on dollar”
- Charitable Institution will usually recognize donor for full value of policy

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### GIFT AND INSURANCE TRUST

Don Henderson Betty Henderson



1. Gift assets, use tax savings to receive income tax deduction of \$600,000. Use income tax savings of \$125,000 to fund insurance trust.
2. Insurance trust buys policy with payout after two lives. Bypass of capital gain on charitable gift may save an additional \$60,000.
3. After two lives, insurance plus potential growth in policy value is distributed to chosen family members.

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### Retirement Plans

- Plans can be taxed up to 80%
- May be best asset to donate instead of cash or stock, based on personal situation
- Direct, tax-free transfers from an IRA avoids taxable situation
- Donors may continue to take withdrawals from plans
- Change of beneficiary form
- Designation is revocable at anytime prior to death

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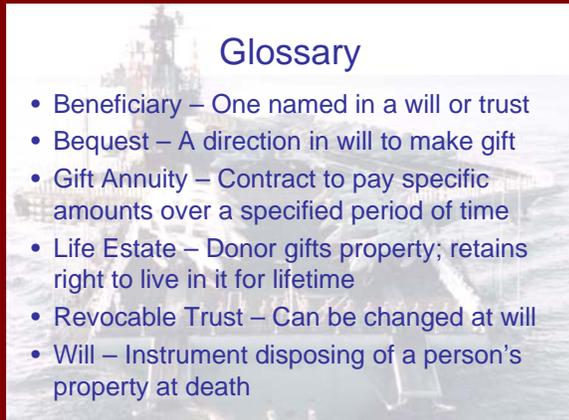
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### Glossary

- Beneficiary – One named in a will or trust
- Bequest – A direction in will to make gift
- Gift Annuity – Contract to pay specific amounts over a specified period of time
- Life Estate – Donor gifts property; retains right to live in it for lifetime
- Revocable Trust – Can be changed at will
- Will – Instrument disposing of a person's property at death

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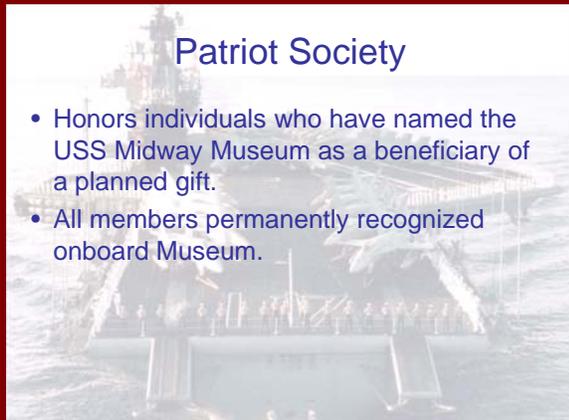
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### Patriot Society

- Honors individuals who have named the USS Midway Museum as a beneficiary of a planned gift.
- All members permanently recognized onboard Museum.

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### Thank you!

Jim Eckel, CFP  
Director of Planned Giving

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(619) 398-8237 (t) (619) 544 9188 (f)  
Jeckel@midway.org  
www.midway.org

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