

## DONOR & ORGANIZATION BENEFITS

The two charts below provide a brief description of basic and advanced giving vehicles and identify benefits of each to the donor and to the organization.

BASIC Giving Vehicle	Description	Benefit to Donor	Benefit to Organization
<b>Donor Advised Fund</b>	Used by some families as an alternative way to establish a family foundation, a donor, through a written agreement with the public charity, creates a specially named fund account to which contributions are made.	<ul style="list-style-type: none"> <li>• Eligible for the higher AGI limits for philanthropic contributions</li> <li>• Requires less oversight and management than a private foundation</li> </ul>	<ul style="list-style-type: none"> <li>• Increasing popularity provides more opportunities for cultivation and stewardship</li> </ul>
<b>Private / Family Foundation</b>	A donor creates a private foundation as a separate tax-exempt entity, either as a non-profit corporation or in the form of a trust, and the private foundation accepts contributions from usually one or a limited number of donors.	<ul style="list-style-type: none"> <li>• Eligible for charitable deduction</li> <li>• Have an impact on many organizations over an extended period of time</li> <li>• Engage family members and others with opportunities to influence philanthropic giving now and in the future</li> </ul>	<ul style="list-style-type: none"> <li>• Provides opportunity for personal cultivation and stewardship, and deep and long-term relationship building</li> </ul>
<b>Gifts of Stock</b>	A donor may choose to donate appreciated assets directly to a charity as a cash-equivalent gift or include stocks in a bequest.	<ul style="list-style-type: none"> <li>• Receive income tax deduction</li> <li>• Avoids capital gains taxes</li> </ul>	<ul style="list-style-type: none"> <li>• Receives a gift of cash after selling the stocks</li> </ul>
<b>Gifts of Bargain Sales / Real Estate</b>	A donor sells property to a charity for less than its full fair market value.	<ul style="list-style-type: none"> <li>• Receives an income tax deduction for the difference between the sale price and the fair market value of the property</li> </ul>	<ul style="list-style-type: none"> <li>• Receives the proceeds from selling the property or the use of the property for its charitable purposes</li> </ul>
<b>Bequest</b>	A written statement in a donor's Will directing that specific assets, a percentage, or remainder of the estate, will be transferred to charity at the donor's death.	<ul style="list-style-type: none"> <li>• The gift is fully exempt from estate tax</li> <li>• The gift does not affect their current cash flow or portfolio</li> </ul>	<ul style="list-style-type: none"> <li>• Easy to explain to donors</li> <li>• Are rarely revoked</li> </ul>
<b>Gift of Retirement Assets / IRA Distribution</b>	A donor names a charity as the beneficiary of a retirement plan or IRA. A donor gives funds from their IRA to a charity to fulfill their Required Minimum Distribution.	<ul style="list-style-type: none"> <li>• Eliminate income tax on retirement plan assets</li> <li>• The ability to leave family other assets that carry less tax liability</li> </ul>	<ul style="list-style-type: none"> <li>• Receives a gift of cash</li> </ul>
<b>Gift of Life Insurance</b>	A donor names a charity as a beneficiary of an existing policy, either fully paid or partially paid, or a new policy.	<ul style="list-style-type: none"> <li>• Ability to make a large gift for a minimal outlay of cash</li> <li>• Federal income tax deduction equal to the cash surrender value of the property and any future premiums paid if the charity is named the owner and beneficiary of the policy</li> </ul>	<ul style="list-style-type: none"> <li>• Receives all or a portion of the proceeds from the policy</li> </ul>

ADVANCED Giving Vehicle	Description	Benefit to Donor	Benefit to Organization
<b>Charitable Gift Annuity</b>	A gift annuity is an agreement where a donor makes a gift of cash or property and a charity agrees to make fixed payments to the donor for life.	<ul style="list-style-type: none"> <li>• Receive fixed annual payments that are partially tax-free</li> <li>• Federal income tax deduction for the present value of the gift</li> </ul>	<ul style="list-style-type: none"> <li>• Receives a gift of cash or property</li> </ul>
<b>Charitable Remainder Annuity Trust</b>	A charitable remainder trust receives cash or property from a donor, makes fixed payments to a designated beneficiary for a life, lifetimes, or term of years and then distributes the remainder to charity.	<ul style="list-style-type: none"> <li>• The beneficiary receives a fixed income annually, allowing the donor to avoid market risks</li> <li>• Appreciated property becomes a productive asset without being sold (avoiding capital gains tax)</li> <li>• Federal income tax deduction for the cash or appreciated property</li> </ul>	<ul style="list-style-type: none"> <li>• Receives remainder of trust at the end of a life or a term of years</li> </ul>
<b>Charitable Remainder Unitrust</b>	A charitable remainder trust receives cash or property from a donor, makes payments to a designated beneficiary based on a percentage of the trust value for a life, lifetimes, or term of years and then distributes the remainder to charity.	<ul style="list-style-type: none"> <li>• The beneficiary receives a percentage of the trust value annually, mitigating the impact of inflation on payments over the long term</li> <li>• Appreciated property becomes a productive asset without being sold (avoiding capital gains tax)</li> <li>• Federal income tax deduction for the cash or appreciated property</li> </ul>	<ul style="list-style-type: none"> <li>• Receives remainder of trust at the end of a life or a term of years</li> </ul>
<b>Charitable Annuity Lead Trust</b>	A charitable annuity lead trust receives cash or property from a donor and makes fixed payments to the beneficiary for a specified period. At the end of the period, it distributes the trust property to a specified beneficiary, usually family.	<ul style="list-style-type: none"> <li>• Reduce gift and estate taxes on assets passed on to children and grandchildren by freezing the taxable value of growing assets</li> <li>• Federal gift or estate tax deductions for the present value of the payments going to charity</li> </ul>	<ul style="list-style-type: none"> <li>• Receives gifts for a specified term</li> </ul>
<b>Charitable Unitrust Lead Trust</b>	A charitable unitrust lead trust receives cash or property from a donor, makes payments based on a percentage of the trust value for a lifetime(s) or term of years, then distributes remainder to a specified beneficiary.	<ul style="list-style-type: none"> <li>• Reduce gift and estate taxes on assets passed on to children and grandchildren by freezing the taxable value of growing assets</li> <li>• Federal gift or estate tax deductions for the present value of the payments going to charity</li> </ul>	<ul style="list-style-type: none"> <li>• Receives gifts for a specified term</li> </ul>
<b>Pooled Income Funds</b>	Charity accepts a gift of cash or stock, invests it with similar gifts from other donors and then distributes a proportionate share of earnings to the donor.	<ul style="list-style-type: none"> <li>• Receives earnings from the fund for life</li> <li>• Bypasses capital gain taxes when appreciated property is sold by the fund instead of the donor</li> <li>• Current federal income tax deduction for gift of cash or stock</li> </ul>	<ul style="list-style-type: none"> <li>• Receives the remainder of the pooled income fund at the end of the donor's life</li> </ul>
<b>Retained Life Estate</b>	A donor irrevocably contributes their personal residence or farm to charity but retains the right to continue to live in the property for their lifetime.	<ul style="list-style-type: none"> <li>• Income tax deduction for the value of the remainder interest contributed to charity</li> <li>• Can choose to accelerate the charity's right to own the property and receive an additional income tax deduction at that time</li> </ul>	<ul style="list-style-type: none"> <li>• Receives the proceeds from selling the property or the use of the property for its charitable purposes</li> </ul>