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Deciding to give

A guide to personalizing your philanthropy

Many people come to a point in their lives where they feel inclined to give back. They do so for a number of reasons, all very personal to them. What motivates you? Perhaps you feel strongly about a cause. Perhaps an organization has touched your life or the lives of loved ones. Maybe you want to create a legacy and set an example that inspires others to give. Or your giving is a way to get your family together and pass along your values to younger generations.

For as many motivations as there are to give, there are ways of giving. The key to having a rewarding giving experience is finding the best fit—for your charitable priorities, financial goals, and personal preferences. This checklist is designed to help you and your professional advisor determine the custom giving solution that's right for you.

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What are your charitable priorities?

Charitable interests. You may have a single charitable interest—an important cause or organization. Or you may have several, or a desire to explore new community needs and opportunities as they arise. Note the charitable interests that you'd like to pursue.

- ☐ Hometown community
- ☐ Retirement community
- ☐ Alma mater
- ☐ Faith organization
- ☐ Environment
- ☐ Arts
- ☐ Education
- ☐ Health and human services
- ☐ Youth
- ☐ Other _____

Impact. What kind of impact do you hope to make with your charitable gift?

- ☐ Solve specific, current, critical needs
- ☐ Help the largest number of people possible
- ☐ Make a significant difference in the lives of a few
- ☐ Construct buildings that will endure for generations
- ☐ Support operations of nonprofit organizations
- ☐ Address long-term, systemic social issues
- ☐ Other _____

Knowledge. Would you like more information in any of the following areas?

- ☐ Establishing a philanthropic plan
- ☐ Understanding community needs and opportunities
- ☐ Evaluating charitable giving options
- ☐ Starting or operating a private foundation
- ☐ Starting a Donor Advised Fund or Supporting Organization at a community foundation
- ☐ Evaluating nonprofit effectiveness
- ☐ Measuring impact of charitable gifts

Perpetuity. Should your gift last forever? You can endow your gift so that only the income is spent and the principal becomes a growing source of community capital. Or, you can choose to spend all of your charitable assets. What is your preferred timetable?

- ☐ Give all direct gifts with no endowment
- ☐ Give some direct gifts with no endowment, endow some gifts
- ☐ Give only endowed gifts

What are your financial goals?

Assets and taxes. Most large gifts present the opportunity for significant tax deductions. Some people choose to give during high-income years to defray their taxes with deductions. You may wish to donate appreciated securities or real estate to avoid taxes on the sale of these assets. And, charitable bequests can play a role in estate planning for your heirs. Your professional advisor can help you assess the financial and tax implications of giving the following kinds of assets:

- ☐ Cash
- ☐ Retirement savings
- ☐ Appreciated securities
- ☐ Closely held stock and business assets
- ☐ Real estate
- ☐ Life insurance
- ☐ Fine art
- ☐ Other asset _____

Transitions. Major life events often drive changes to an estate plan and prompt charitable gifts. Which of the following transitions might be relevant?

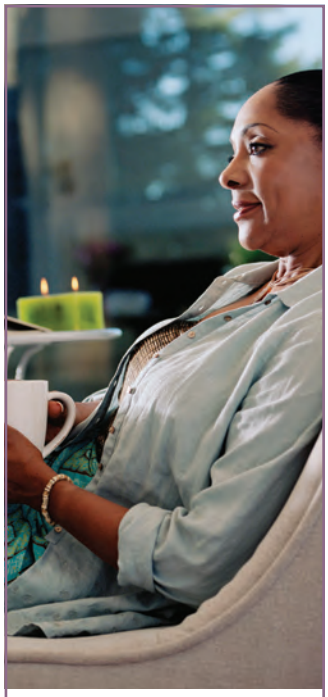
- ☐ Selling a business
- ☐ Change in marital status for you or your heirs
- ☐ Retirement or estate planning
- ☐ Receiving an inheritance
- ☐ Birth or coming of age of children or grandchildren
- ☐ Death of a loved one

Timing. Maybe you would like to start giving now, so you can get involved or potentially see the results of your gift. Or perhaps you'd like to give through your estate. Most philanthropists do a combination of these. What is your timing preference?

- ☐ Give all gifts during lifetime
- ☐ Gift some lifetime gifts; some after death
- ☐ Give all gifts after death

Income. Some people choose to give in a way that provides them—or a loved one—a stream of income for life. Your professional advisor can help you select a giving vehicle that suits your time horizons, tolerance of risk, and income requirements. What kind of income would you like your estate to provide?

- ☐ Predictable lifetime income for you *and* your spouse
- ☐ Predictable lifetime income for you *or* your spouse
- ☐ Maximum lifetime income for you *and* your spouse
- ☐ Maximum lifetime income for you *or* your spouse
- ☐ Provide income to a charity during your lifetime



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What are your personal preferences?

Recognition. Some people like a tasteful level of recognition for their good work. It attracts attention to their cause, generates awareness, and may inspire others to give. Some people prefer anonymity. What level of recognition do you prefer?

- ☐ Lasting recognition (name on a fund, foundation, building, or permanent structure)
- ☐ Public recognition (name in public announcement or media coverage)
- ☐ Simple recognition (personal thank you and name listed in annual report or newsletter)
- ☐ Anonymity

Control. Is ultimate control over assets you give to charity important to you? Some people aren't comfortable without it. Others are glad to let go, once they've made some guiding decisions. Determining the range that's comfortable for you will help your advisor recommend appropriate giving vehicles.

Less control — *More control*

Unrestricted Fund	Field of Interest Fund	Designated Gift/Fund	Donor Advised Fund	Supporting Organization	Private Foundation
Broad gift for community; community foundation awards grants	Gift to a specific cause; community foundation awards grants	Gift to benefit a specific organization	Gift fund for donor-recommended grantmaking	Some benefits of private foundation with community foundation support	Independent board awards grants

Involvement. Do you want to play an active role in your giving, selecting recipients of your gift for years to come? Would you like to involve your children or grandchildren? Or would you prefer to make one-time gifts with no future demands on your time?

- ☐ No personal involvement
- ☐ Current personal involvement
- ☐ Lifetime personal involvement
- ☐ Future personal involvement through children
- ☐ Future personal involvement through grandchildren

Personalized service. Many very busy but charitable people choose to receive personalized services—assessment of community needs, administration of their philanthropy, investment management—that allow them to focus on the more rewarding aspects of giving. What are the services you would find helpful?

- ☐ Local community needs assessment
- ☐ Research into national or global issues
- ☐ Due diligence of selected organizations
- ☐ Planned giving assistance
- ☐ Gift origination assistance
- ☐ Grant administration
- ☐ Investment management
- ☐ Facilitation of family meetings and charitable activities
- ☐ Bookkeeping
- ☐ Tax reporting

Giving options

Major options for giving entail varying costs and benefits. Your professional advisor can help you review options for custom giving solutions—based on your timing preferences, your giving focus, and other variables.

	Direct Gift	Donor Advised Fund	Supporting Organization	Private Foundation
Items to consider				
Involvement and control	You give a gift directly to a public charity. Control is limited to initial gift decision.	You give to a public charity—e.g., a community foundation. You recommend grants to qualified nonprofit groups, subject to approval by the public charity's board of directors.	You work together with a public charity—e.g., a community foundation—to appoint board. This board typically controls investments and grantmaking.	You appoint a board, which controls investments and grantmaking.
Tax status	Public charity	Public charity	Public charity	Private charity
Tax deductions	Up to 50% on cash, up to 30% on appreciated stock, up to 30% on real estate and closely held stock.	Up to 50% on cash, up to 30% on appreciated stock, up to 30% on real estate and closely held stock.	Up to 50% on cash, up to 30% on appreciated stock, up to 30% on real estate and closely held stock.	Up to 30% on cash, up to 20% on appreciated stock, up to 20% on real estate and closely held stock.
Grantmaking support	Your decision is based on your own research and intuition.	In the case of a community foundation gift, professional staff is available to help identify and assess grantees, provide input on community needs, and verify nonprofit status.	In the case of a community foundation gift, professional staff is available to help identify and assess grantees, provide input on community needs, and verify nonprofit status.	You must arrange and support your own grantmaking and monitoring structure. Some community foundations offer grantmaking services to private foundations.
Startup costs	None	N/A	Costs kept to a minimum through collaboration with community foundation.	Several thousand dollars for legal and accounting expenses and filing fees.
Effective gift size	Any gift size is appropriate	Thousands of dollars	Typically millions of dollars	Typically millions of dollars
Administrative requirements	N/A	Donor has no administrative requirements. Administration is pooled and an annual fee is charged. Community foundation handles reporting.	Costs are kept to a minimum through collaboration with community foundation. Annual 990 tax form must be filed.	Several thousand dollars for legal and accounting expenses and filing fees. Annual 990 tax form must be filed.