

### 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 of up to \$100,000; but because of SECURE Act, less benefit to this until reaching age 72. 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; appraisal and policy recommended

### 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

## 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. With SECURE Act changes, naming CRT as beneficiary of retirement accounts can further stretch payments to individuals.

**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

## 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 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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