

Contact your retirement plan administrator for specific information about naming a charity as a beneficiary. It is also possible to arrange a gift to provide income for your heirs while making a charitable gift.

Life Insurance Policies

You can designate that all or a portion of a life insurance policy be paid to a charitable interest. Or you can replace donated assets by using tax savings and other financial benefits from charitable gifts to purchase life insurance that will benefit heirs. You may even wish to purchase a new policy and name a charity as owner and beneficiary.

Wills and Living Trusts

After making provisions for loved ones and friends, one or more charitable interests are often included in a will or living trust. Gifts may include a specific amount of cash or a certain property, a percentage of your total assets or all or a portion of what is left after loved ones have been provided for (called “the residue”).

Other Pockets for Giving

Don't forget donor advised funds, family foundations or family businesses as other potential sources for your charitable giving.

Lesson Learned

Just as you learned to effectively use the ABCs to describe your world, there are many ways you can make a difference by carefully planning what and when to give and how best to make your gifts.



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The ABCs of Giving



Most of us can recall learning our ABCs as children. As we began to use the letters of the alphabet, we were able to form words and express our thoughts.

In much the same way, by carefully studying the ABCs of giving, you may discover ways to better communicate your beliefs and values.

Many Possibilities

Consider the following list of assets you might use to make charitable gifts now or in the future: art, bonds, cash, homes, life insurance, mutual fund shares, retirement plans, securities. These are only a few of the possibilities—you can probably think of many more.

In this brochure, you will find ideas not only about what assets to give but also ways you can give them. By carefully considering these options, you may be able to fulfill your charitable goals while enjoying other benefits as well.

Gifts of Cash

Charitable gifts are most often made with cash, checks or through online payments. There is a new charitable deduction for cash gifts from non-itemizers (\$1,000 for single filers and \$2,000 for married couples who file jointly).*

For those who will continue to itemize, gifts of cash generally remain deductible up to 60% of AGI, though there are some new adjustments that may reduce your overall tax savings. Any excess deductions can be carried forward up to five additional tax years.

Noncash Gifts

Many people use stocks, bonds and mutual fund shares to make charitable gifts. Gifts from long-term appreciated assets are deductible in amounts up to 30% of AGI. As a result, you may be able to make a larger gift than planned—at the same or lower cost. Similar advantages are available for gifts of other types of appreciated assets, such as real estate.

Life Income Gifts

A gift that features additional spendable income may be one of the best ways to combine your personal and charitable planning. Some plans provide payments to you and/or a loved one while arranging for a larger charitable gift than you might have thought possible.

For example, a charitable remainder trust can provide a fixed or variable income for life or another period of time, with whatever remains designated as a charitable gift when the trust ends. You may enjoy tax savings and other benefits as well.

Retirement Plans

In addition to Social Security, many people receive income from an individual retirement account (IRA), 401(k) or Keogh. Since these funds can be subject to both income and estate taxes when left to heirs, a gift from the remainder can be a tax-wise way to arrange a charitable gift while leaving other, less heavily taxed assets to heirs.

*Gifts to donor advised funds do not qualify for the new non-itemizer deduction.