



Leave10

ADVISOR TOOLKIT

Resources for Engaging Clients in
Discussions about Philanthropy

Leave 10

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Advisor Toolkit

Leave 10 Mission

The mission of Leave 10 is to build better communities and transform as many people as possible into philanthropists by educating, inspiring, and encouraging individuals to aspire to leave at least 10% of their estate to charity.

The Board of Leave 10 prepared this Advisor Toolkit to provide support for professional advisors who wish to engage their clients in philanthropic conversations. There are several reasons why engaging in this activity will be beneficial for you and your clients. Consider the following:

- You will enhance your relationship with your client in almost unimaginable ways, really learn the client's story, and move from being the client's attorney, accountant, or financial advisor to become the "trusted advisor."
- You will add a new dimension to your relationship with your client.
- Your client will likely invite the next generation into the conversation, and you may participate in intergenerational planning.
- Charitable giving brings people joy. You will have the opportunity to participate directly in contributing to your clients' happiness.

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Starting the Conversation: Unlocking Your Client's Hidden Philanthropist

What

Conversations about clients' giving are an important part of being a professional advisor. Studies have shown that clients would appreciate and value the advice of their trusted advisors in helping them attain their philanthropic goals, but those conversations are not happening often enough. When they do, advisors mostly focus on the technical and tax aspects of giving, topics that advisors may be more comfortable discussing. If prompted with a few open-ended questions, however, clients may be eager to discuss their passions and the impact they want their gifts to have.

Why

People have different motivations for giving. It is important for the advisor to discover their clients' motivations, both obvious and subtle, and to discern and facilitate a good giving strategy for that client. In so doing, the advisor is adding value to the business relationship with the client.

Furthermore, longtime clients also often wish to discuss their thoughts about family and charitable legacies with their trusted advisors. This toolkit will help advisors navigate those conversations with greater confidence and clarity.

How

When performing thorough discovery with their client, professional advisors should include questions that probe their client's interest, involvement, and aspirations with regard to giving. Different people are drawn to philanthropy in different ways and may not wear their charitable hearts on their sleeves. A patient and dedicated advisor will therefore need to ask different questions in order to unpeel their client's experiences and preferences with regard to giving and legacy. To help you in this endeavor, we have compiled a list of questions associated with various dimensions of this charitable inquiry.

Exploring Charitable Involvement and Motivations

Have you been involved with nonprofit organizations as a volunteer, donor, or board member?

What motivated you to be involved with that organization/organizations?

What have you found most satisfying about that experience?

What made you least satisfied with your involvement?

Are there charities that you have supported for a long time?

Are there charities that your family has supported with time or money?

What values and beliefs do you currently have with regard to giving and helping others?

Probing Their Giving Interests

About the past

What organizations or causes have contributed in some way to you and your family's well-being and success? How have they shaped your priorities and values?

Are there certain communities or geographic areas that have been important to you, your family, or your business?

When you look back on your life, which individual(s) had the most impact on who you are today? Are you interested in honoring or paying tribute to them through a gift to a cause that was important to them?

About the present

What current problems in your community concern you or break your heart? What do you want to change in the world? What issues feel most pressing for you and why?

About the future

What kind of world do you wish to leave for your children and grandchildren?

For your community to be strong and vibrant for generations, what conditions should it always have and what institutions are key to those conditions?

Their Attitude Toward Social Capital

Social capital is the portion of a person's wealth that is dedicated to the public good. It may be voluntary as in charitable giving or involuntary as in taxes. Charitable giving provides clients with the opportunity to take charge of their social capital, allowing them to choose which causes and communities would benefit from it.

If you had a large windfall, how would you allocate it among the following

choices: family, government, or charity?

If you could only choose between government and charity, which would you choose – paying taxes so the government can fund programs that it chooses or collectively that voters feel are important initiatives, or donating to charities of your choice? *In other words, how will your clients choose to spend their 'social capital'?*

Giving Practices

How do you usually make your donations? When do you typically make donations?

Who is involved in the decisions about where and how much to give?

What do you perceive as the advantages and disadvantages of philanthropy in your life?

Do you have a strategy for charitable giving?

Does your giving go beyond tax savings, to involve your core values and those of your family?

What role would you like philanthropy to play in your life?

Compared to your peers, do you think you tend to give more or less time to philanthropic concerns?

What holds you back from engaging more deeply in charitable giving?

Giving Preferences as a Couple and a Family

Is philanthropy a shared priority in your financial and estate plan?

What is your common ground for giving? Where and how do you think differently?

Is legacy important to both of you? If so, what shape would it take?

How will your giving decisions be made? How will your work be divided?

How much should be set aside for philanthropy?

Do you want to involve your family in philanthropic giving? If so, how would you do that?

Would you want your family to learn how to be generous together?

Are you interested in engendering a culture of philanthropy in your family across generations?

Do your children and grandchildren have the capacity and inclination to nurture consensus across generations?

Ways to Give

Are you aware that you can make donations of assets other than cash and enjoy a variety of tax and financial benefits? Are you interested in learning more about these advantageous ways to give?

Do you have any charitable vehicles already in place? How are those working for you?

Do you prefer to give during your lifetime, at your death, or a combination of both?

Have you named a charity/charities among the beneficiaries of your estate plan?

Are you interested in combining your giving strategy with any of the following other tax, financial and estate planning considerations?

- Providing income streams for you or your loved ones.
- Avoiding capital gains tax on the sale of highly appreciated assets held long term.
- Providing for a loved one who has difficulty with financial management.
- Providing a deferred lump sum to heirs.
- Enabling your heirs to benefit from the future increased value of stock that you own.
- Reducing gift/estate taxes or discounting the value of the gift that would be subject to taxes.
- Getting an income tax deduction that would help offset current or imminent taxable events.

Legacy Concerns

If you had one year left in your life, how would you spend your time and resources?

What do you consider the highest purpose of your life?

What do you consider the highest purpose served by your assets?

If you were given \$10 million and you had to give it all away, which causes provide the opportunity to fulfill your passions in life?

What mark would you like to leave on the world?

How would you like to be remembered by your children and grandchildren?

How would you like to be remembered by society?

How would you like your giving to positively impact your children and grandchildren?

What positive impact would you like your giving to have on your community?

Estate Giving Preferences

What causes that you care deeply about do you wish to continue helping beyond the days of your life? Are there specific charities that effectively serve the causes you care about?

Is it your desire to leave a certain sum/percentage of your estate to those charities?

Would you like that amount to be spent by the charities for their greatest need, giving them the flexibility to spend your gift on what would help the cause best?

Would you like that amount to be spent by the charities for a specific purpose though not so restricted as to prevent the charity from spending your gift?

Would you like your gift to be held in a permanent fund/endowment that would exist for some number of years or in perpetuity, with only the income or percentage payout used annually for the specific cause you wish to support? Are you interested in that endowment being named in your honor or in honor of a person who had great positive influence in your life?

If you are not certain about the charities that address your cause(s), how do you feel about establishing a special interest fund at a community foundation and

entrusting the choice of charities benefiting from your fund to the community foundation?

Do you want your children and grandchildren to be directly involved in your philanthropy? How would you like to encourage their philanthropy and the ability of your family to positively impact the community?¹

- Through an endowed donor advised fund at a community foundation where your children and grandchildren can recommend grants on an annual basis?
- Through a private family foundation where your family can exercise control in your philanthropic activities?

How They Wish to Move Forward

Would you like my help in exploring the benefits of certain charitable strategies on your situation?

Do you have any worries and concerns about giving that I can help answer with financial planning tools?

Are you interested in resources that would help you study your charitable giving options?

If you wish to explore a charity as a potential beneficiary, but prefer to remain anonymous, would you like me to do that on your behalf?

Do you mind if I follow up periodically with you on this conversation?

The following sources have been very helpful in compiling these questions:

The Philanthropy Toolkit by [Stanford Effective Philanthropy Learning Institute](#)

Philanthropic Planning Questionnaire, by del Prado Philanthropy

How to Have Conversations about Charitable Giving with Clients, by Ken Nopar of the American Endowment Foundation

Unlocking Your Client's Hidden Philanthropist, by Julie Lytle Nesbit, Matt Wesley, Tom Fowler and Lorraine del Prado

¹ There are tax ramifications, compliance, and expense issues associated with these decisions.

Determining Giving Strategies

Why

To best serve our clients and help achieve their philanthropic goals.

How

Ask questions and listen. An advisor should continue to ask questions and listen until they have a complete understanding of the client's current situation and goals.

What

Determine what strategies will best meet the client's philanthropic goals and what next steps might be best.

Traditional Planning Opportunities

- Cash Flow Analysis
- Retirement Planning
- Education Planning
- Risk Analysis & Insurance Planning
- Tax Planning
- Business Succession Planning
- Investment Management
- Philanthropic Planning
- Legacy Goals
- Estate Planning

Special Issues to Consider

- Determining your client's financial capacity.
- Anxieties about losing assets that provide sufficient income for needs and wants.
- How to address clients' discomfort with making irrevocable gifts.
- Understanding that a perception of abundance is more mental than financial.
- How family dynamics and communication issues can affect philanthropic plans.
- How to accommodate each succeeding generation's need to differentiate themselves from the previous generation.
- Incremental steps versus all or nothing.

Strategies to Accomplish Philanthropic Goals

- Lifetime Gifts
- Transfer on Death (TOD) or Payable on Death (POD) accounts
- IRA Beneficiary Designation
- Bequest under Last Will & Testament or Revocable Trusts
- Charitable Remainder Trusts
- Charitable Lead Trusts

- Charitable Gift Annuities
- Donor Advised Funds
- Private Foundations
- Pooled Income Funds
- Cryptocurrency
- Intellectual Property
- Real Estate

Obstacles to Achieving Philanthropic Goals

Advisors may recognize emotional issues when working with their clients. Clients may have various fears, such as:

- Fear of disappointing family or friends, sense of obligation, or being influenced by someone.
- Fear of the unknown, such as future health issues.
- Fear of running out of money.
- Fear of losing control or being pressured or influenced if starting a conversation with family members about options.

Often clients face obstacles that keep them from achieving their philanthropic goals. An advisor can help their client identify and overcome the obstacle by providing education and planning.

Most people feel a duty or obligation to give everything to their heirs especially those from the "Silent Generation." They give during their lifetime, so why not 10% of their estate? Isn't it possible their kids will be well remembered with 90% and feel good that they have done something for others as well?

Many people spend their time accumulating wealth and avoiding taxes. However, few consider the tax implications on their estate and heirs.

Many people are not aware of the lifetime income opportunities that can provide income for their own retirement, for their heirs, and their favorite charities.

Legacy is not always about a name on a building, but rather the values a person wants their heirs to remember them by. An estate gift is a tangible and enduring statement of values.

Most people do whatever they can possibly do to avoid discussing their mortality. However, this kind of planning is positive. It is liberating when one knows their wishes will be honored. It is about the opportunities for their heirs and the causes that were important in their lifetime to be recognized, supported, and the impact amplified.

Tools and Strategies for Your Client's Charitable Giving

Please note that the information contained herein is not intended to provide specific legal or financial advice and should not be relied upon as a substitute for such professional advice. You and your clients should seek professional legal, estate planning, and financial advice before deciding on a course of action.

Charitable Bequests

By far, the most common type of planned gift is a bequest by Will or Revocable Living Trust. It is also generally among the easiest types of planned gifts charitable organizations can receive. When your client creates their Last Will and Testament or Living Trust, typically with help of an estate planning attorney, she decides where she wants her material possessions to go after death and may include gifts to the organizations she cares about. The client may state a specific dollar amount, asset, or percentage of her "residual estate" to go to one or more charities, after debts, other expenses, and specific bequests to individuals are paid.

To help clients know how to properly include a gift to charity in their Will or Living Trust, organizations typically offer suggested bequest language. Here's an example:

Specific

I give, devise, and bequeath [identify here a specific sum of money or a specific asset] to ABC Charity, 111 Any Street, Any Town, WA 98111, to be used in such a manner as the Board of Trustees thereof may direct.

Residuary

I give, devise, and bequeath all [or a portion – for example, fifty percent (50%)] of the rest, residue, and remainder of my estate to ABC Charity, 111 Any Street, Any Town, WA 98111, to be used in such a manner as the Board of Trustees thereof may direct.

Contingent

In the event that [insert name of primary beneficiary] shall not survive me, or shall die ninety (90) days from the date of my death, then I give, devise and bequeath [identify here a specific sum of money, a specific asset or the portion of the residual estate that would have been given to the primary beneficiary] to ABC Charity, 111 Any Street, Any Town, WA 98111, to be used in such a manner as the Board of Trustees thereof may direct.

Restricted

I give, devise, and bequeath [identify here the specific sum of money, the specific asset, or the portion of the residual estate] to ABC Foundation, 111 Any Street, Any Town, WA 98111, specifically for [describe the primary purpose, but use general language so that the restriction is not so limited as to prevent the Charity from applying the money in the most efficient way.]

If it is determined by the Board of Trustees of ABC Charity that all or part of the gift is no longer needed, or for any reason cannot be used for the stated purpose, then such portion of the gift may be used for other related purposes, which the Board of Trustees deems to be in the best interests of ABC Charity, giving consideration to the original purposes described above.

Endowment

I give, devise, and bequeath to ABC Charity, 111 Any Street, Any Town, WA 98111 [insert here the sum, percentage, or description of property] to be held as a permanent endowment to be known as "The [insert name] Endowed Fund" to be used for the following purpose(s):

[Description of purpose(s)]

If it is determined by the Board of Trustees of ABC Charity that all or part of the distributions (as defined by the endowment distribution policy established by the Board of Trustees and amended from time to time) from the fund are no longer needed for the purpose(s) stated, then distributions may be used for other purposes which the Board of Trustees deems to be in the best interest of ABC Charity, giving consideration to the original purpose(s) described above.

Beneficiary Designations

There are also assets that can be transferred after death by beneficiary designation. Examples include life insurance policies, retirement and other investment accounts, and bank accounts with "Payable on Death (POD)" or "Transfer on Death (TOD)" designations. Because these do not require a Will or attorney, they are the simplest planned gifts to arrange and are most quickly received as they are paid to the beneficiary outside of the probate process. Some clients may choose to name charities as beneficiaries for these types of assets instead of, or in addition to, naming charities in a Will.

To be named in a beneficiary designation form, your clients will need the organization's legal name, Tax ID, and address.

Note: It is also important to notify the charitable beneficiary of the name of the custodian of the assets, *because financial institutions are not legally obligated to notify the charity when their client passes away.*

IRAs and Retirement Plans

Retirement plan assets are some of the most tax efficient assets to transfer to charity upon death. Distributions directly to heirs from most IRAs and qualified retirement plans at the end of your client's life can be subject not only to income tax and estate tax, but potentially to other types of taxes as well. By transferring assets in your client's IRAs and certain qualified plans to a community foundation or specific nonprofit at death, your client can fulfill their charitable goals and your client's heirs may reduce or eliminate taxes.

Note: distributions to individuals from Roth IRAs and Roth 401(k) plans are normally *not* subject to income tax, however they may be subject to estate and generation-skipping transfer taxes, depending on the particular circumstances.

Naming a Nonprofit as an IRA or Qualified Plan Beneficiary

Your client can designate a specific nonprofit(s) as your client's IRA or qualified retirement plan beneficiary. In addition, your client can also designate a Community Foundation or your client's "fund" at the community foundation as your client's beneficiary. These funds can be used to establish the charitable fund of your client's choice at the community foundation.

To name a nonprofit or a community foundation as beneficiary, contact your client's IRA or qualified retirement plan administrator and request a "change of beneficiary" form and assist your client in completing the form correctly.

Using an IRA to Establish a Charitable Remainder Trust

Another option for using your client's IRA or qualified retirement plan to accomplish your client's philanthropic objectives is to designate a charitable remainder trust as the beneficiary at the end of your client's life. In so doing, your client will provide life income to one or more surviving family members as well as an eventual gift to the specified nonprofit or "fund" at a community foundation.

Qualified Charitable Distributions (QCD)

Traditional IRAs are also among the best assets to give during a client's lifetime. Clients who are at least 70½ years old can direct their IRA custodians to transfer up to a maximum of \$100,000 of their IRAs to their favorite public charities. The distribution counts as part of their Required Minimum Distribution, but is not included in their taxable income, hence resulting in tax savings. Because the distribution is not included in their taxable income, clients do not get a charitable tax deduction for this gift. This also means that clients can benefit from the tax savings associated with Qualified Charitable Distributions regardless of them

itemizing their deductions. A QCD cannot go directly to a donor advised fund, supporting organization, or to a private foundation.

Life Insurance Gifts

Whether your client donates an older policy no longer needed, takes out a new policy to fund a major charitable project or your client's family fund, or settles on some other arrangement, life insurance offers a unique way to leverage relatively modest annual payments into a sizable charitable gift. The following methods are the most common for using life insurance to support a nonprofit or your client's fund at a community foundation.

Name a Nonprofit or a Community Foundation as the Successor Beneficiary

Your client may currently own a policy naming his or her spouse or another individual as the beneficiary. Your client could name a specific nonprofit, a Community Foundation, or your client's fund at a Community Foundation as the successor beneficiary in the event this person predeceases your client. While this option offers no immediate tax benefits, it does have the advantage of removing the life insurance proceeds from your client's taxable estate.

Name a Nonprofit or a Community Foundation as Primary Beneficiary

If your client purchased a policy several years ago but your client's chosen beneficiary no longer needs the protection, your client can designate a specific nonprofit, their Donor Advised Fund, a Community Foundation, or your client's fund at a Community Foundation to receive the benefit. Under this option, your client's estate would receive a charitable deduction and the death benefit would pass to the nonprofit or Foundation tax-free.

Donate an Existing Policy

If your client has an older insurance policy which your client no longer needs and would like a current income tax deduction, your client can donate it to a specific nonprofit or to a community foundation. As long as all of the rights of ownership are transferred to the nonprofit or community foundation, your client will receive a current income tax deduction.

Examples of policies that may no longer be needed:

- Business insurance after the business has been sold.
- Income replacement insurance after the client has retired.
- Estate insurance when the client's estate is no longer subject to estate tax.
- Mortgage insurance after the mortgage has been repaid.

Purchase a New Policy and Donate It

Your client can purchase a new policy on his/her own life and name a nonprofit or a community foundation as the owner. The premiums are paid annually by your client's contributions to the nonprofit or community foundation, which are tax deductible. In the event your client ceases paying the annual premium, the nonprofit or community foundation reserves the right to cash in the policy or convert it so that it provides paid-up coverage.

Purchase a Life Insurance Policy for Wealth Replacement

A Wealth Replacement Life Insurance Trust is a special type of irrevocable life insurance trust that creates tax-free life insurance dollars for your client's beneficiaries upon their death to replace assets that your client gave to charity during life. With proper structure and procedures, transfers to the trust to pay premiums are not subject to gift tax.

Distributions of death benefits through the trust to heirs should not be includable in your client's taxable estate strategies. Note: It is important to work with the client's attorney and CPA to ensure these trusts are worded as intended to maximize tax benefits and that they are modified, if necessary, with future tax law changes.

Split-interest Gifts

Split-interest gifts refer to more complex planned gift arrangements that divide the gift between the charity and the donor. Typically, one would own the income or lifetime interest while the other would own the remainder or residual interest.

Charitable Remainder Trust

A charitable remainder trust (CRT) is an irrevocable trust in which the donor transfers cash or property to a trustee and, in return, the donor or other individuals named by the donor as income beneficiaries receive income from the trust for life, or a specified term of years, not to exceed 20 years. When the trust terminates, the corpus is distributed to the charities named as the charitable remainder beneficiaries.

There are two main types of Charitable Remainder Trusts:

A **Charitable Remainder Annuity Trust (CRAT)**, pays a fixed dollar amount, annually, based on the initial fair market value of the property transferred to the trust. For example, if a donor transfers \$100,000 to a charitable remainder annuity trust and selects a payout percentage of 5 percent, the named income beneficiaries will receive \$5,000 per year until the trust terminates, regardless of whether the trust principal increases or decreases in value over time. Charitable Remainder Annuity Trusts are generally favored by donors who are more interested in receiving a fixed income than they are in chancing market volatility.

A **Charitable Remainder Unitrust (CRUT)**, provides fluctuating income payments to the income beneficiaries, based on a fixed percentage of the annually revalued trust corpus. For example, if a donor transfers \$100,000 to a charitable remainder unitrust and selects a payout percentage of 5 percent, the named income beneficiaries will receive \$5,000 in the first year. If in the second year, the trust grows in value to \$110,000, the income beneficiaries will receive \$5,500, enjoying the benefit from the appreciation experienced by the trust. Market volatility has a direct impact on the income payments received each year by the income beneficiaries. The trust document must provide a payout percentage of at least 5 percent. CRUTs are flexible and can be funded by a variety of assets including real property. The income beneficiaries can include the donor and their heirs. It is also possible to add additional assets. Since these trusts grow over the time, the donors and heirs tend to receive much more than the original investment over the term of the trust. At the end of the trust term the remainder is often double the original value and becomes a more impactful gift to the charities they care about.

CRTs offer several compelling benefits to donors: They can convert highly appreciated, often underperforming assets into lifetime income for the donor. Because CRTs are tax-exempt, appreciated assets sold in the trust avoid payment of capital gains tax. Donors enjoy a significant income tax deduction and also reduce the size of their taxable estate. All these financial and tax benefits accompany a strategy that enables them to make a significant deferred gift to causes they care about.

Charitable Gift Annuity (CGA)

A charitable gift annuity is a simple contract between the donor and the charity whereby the donor makes an irrevocable transfer of cash or property to the charity. In return for the contributed property, the charity agrees to pay a fixed amount of money each year for the lifetime of one or two individuals. The payout rate offered by a charity is typically based on recommended rates from the American Council of Gift Annuities. The annuitants have the option to defer receiving their annuity payments until some future date, provided that this decision is made at the time the contract is written.

In addition to fixed payments, a charitable gift annuity provides other benefits to donors including a significant income tax deduction, capital gains tax savings when appreciated assets are contributed, partially tax-free payment in almost all cases and the satisfaction of supporting a worthy cause.

Pooled Income Fund

Although less common, some well-established charities maintain pooled income funds for philanthropic giving. A pooled income fund is a professionally managed fund which allows contributions from separate donors to be combined to work together using cash or stocks. Donors receive their share of the fund's annual net income. Their investment earns income now and supports their charitable beneficiary in the future. Upon the death of the beneficiary or beneficiaries, the portion representing the donor's share of the fund is distributed to the charity.

Charitable Lead Trust

A charitable lead trust (CLT) is an irrevocable trust arrangement that pays current annual income to the nonprofit organization for a specified period of years, with the trust principal reverting to the donor or the donor's family when the trust ends. The annual income payment by the trust is similar to an outright gift of cash, for the charity is free to use the cash as soon as it is received, subject, of course, to any restrictions placed on the gift by the donor. The wonderful advantage to the charity is knowing it will receive a regular annual payment and that can provide a cornerstone of support that can be transformational for a smaller organization. CLTs usually start at a minimum of \$500,000 and require experienced legal, tax and financial advisors to establish and oversee the trust.

Typically, donors utilizing charitable lead trusts have large estates and are seeking relief from estate taxes. CLT donors qualify for a gift tax deduction that discounts for gift tax purposes the value of the assets that will eventually pass to their heirs. At the end of the trust term, their beneficiaries will receive the trust assets. Any asset growth that occurs in the trust will be distributed to the beneficiaries free of gift or estate taxes.

Retained Life Estate

Under a retained life estate, the donor irrevocably deeds a personal residence or farm to charity but retains the right to live in it for the rest of his or her life, a term of years, or a combination of the two. The term is most often measured by the life of the donor, or of the donor and the donor's spouse. The donor receives a significant income tax deduction for the present value of the remainder interest.

When the term ends, typically when the last of one or more tenants dies, the charity can either keep the property for its own use or sell the property and use the proceeds as designated by the donor. An agreement should be established with the donor to clarify the responsibilities they will have to maintain the property and ensure taxes and insurance are paid.

Current Gifts of Non-cash Assets

Gifts of assets such as stock, real estate, and tangible personal property, although given for the current use and enjoyment of a nonprofit organization, qualify as planned gifts by virtue of their dollar value and complexity.

Appreciated Stock

Publicly traded or closely held stock represents the most common type of noncash gift. Nonprofit organizations prefer gifts of publicly traded stock because they are highly liquid—they can be sold quickly by a phone call through a broker—and have readily ascertainable fair market values, published daily online and in newspapers like the Wall Street Journal. It will be necessary for organization to open a brokerage account to receive such gifts.

Cryptocurrencies

Cryptocurrency (virtual currency, etc.) may be accepted by some charities if the donation is done through a third-party exchange company such as Bitpay or Coinbase. Organizations may not be willing in every circumstance to accept direct donations of cryptocurrency (such as Bitcoin) and decisions may be made at the discretion of its board. It is important for donors, and their advisors, to contact the particular charity to understand their gift acceptance policies in advance of making a gift of these assets as the regulatory issues are rapidly changing.

Note: All donations of cryptocurrency are treated as "property" under the latest IRS rules and regulations. As such, they are treated as short-term or long-term capital gain property and have the same restrictions for deductibility that apply to other property such as stock or real estate.

Real Estate

Real estate is the second most common type of noncash gift. There are some issues a nonprofit organization should review before accepting a gift of real estate. Is the estate subject to a debt? Are there liens or encumbrances on the real estate? Is the donor the sole owner, or is the property jointly owned with others? Once accepted, will the organization be able to sell the property within a reasonable period of time, and if not, does the organization have funds available to pay for the insurance, taxes, and maintenance? Will the organization retain the property and use it for its exempt purpose? Have environmental tests been conducted on the property to ensure that it is not contaminated? Many organizations require board approval before accepting gifts of real estate. Some even create a [real estate checklist](#) that must be satisfied before the proposed gift is presented to the board.

Appreciated real estate is also an excellent asset to fund a charitable remainder unitrust, especially if the client has rental or vacation property they no longer want to maintain. The income from the trust is often equal to or greater than what they currently receive.

Intellectual Property

Royalties from books, theater productions, movies, musical recordings, video games, etc. may be other suitable gifts for philanthropic giving strategies. Advisors are encouraged to explore these options with their clients as well.

Endowments

Your client may wish to support a particular organization or program in perpetuity as a lasting reminder of what's important to him or her. An endowment or permanent fund can be established at a nonprofit organization whereby the principal remains invested while the income or a specific payout is distributed to the chosen program. Since a nonprofit is an entity with no definite date of "death," the income stream can continue until the nonprofit entity dissolves. Theoretically, endowments can last forever.

Endowments can be funded with lifetime gifts, a charitable bequest, charitable lead trust distributions as well as the remainder interest of a charitable remainder trust, a charitable gift annuity or a retained life estate.

It is very important for clients who wish to start an endowment to include in the fund agreement with the charity a well-articulated purpose as well as the values and story behind the endowment. These help to forever memorialize and reinforce for succeeding generations what the family stands for and its desired impact on society.

A best practice of charities in stewarding endowments is sending financial reports on endowment performance and distributions and narrative reports on programs funded. Clients should generally expect these reports from their charities. Once clients receive these reports, they should share them with family members as an opportunity for learning together and as an example of accountability in action.

LEGACY INTENTION FORM

As evidence of my/our desire to provide future support for [ORGANIZATION], I/we are using this document to state our intention to include a legacy gift to [ORGANIZATION] in my/our estate plans. This commitment is revocable and can be modified by me/us at any time.

Name(s)

Address

City

State

Zip

It is my/our intent to leave a legacy gift to [ORGANIZATION] through my/our:

- | | | |
|---|---|---|
| <input type="checkbox"/> Will | <input type="checkbox"/> Life Insurance* | <input type="checkbox"/> Donor Advised Fund |
| <input type="checkbox"/> Revocable Living Trust | <input type="checkbox"/> Annuity | <input type="checkbox"/> Charitable Remainder Trust |
| <input type="checkbox"/> Retirement Account* | <input type="checkbox"/> Brokerage Account* | <input type="checkbox"/> Charitable Lead Trust |
| <input type="checkbox"/> Pooled Income Fund | <input type="checkbox"/> Bank Account* | <input type="checkbox"/> Other _____ |

*Please provide name of financial custodian of account _____

I/we wish to inform [ORGANIZATION] for long-term planning processes only, that as of this date, the estimated value of my/our legacy gift is \$_____. (If your gift is a percentage of your estate, please indicate the approximate value of that percentage.) I/we understand that, by stating an amount, my/our estate is not legally bound by this statement, and I may choose to add, subtract, or revoke this bequest, at any time at my/our sole discretion.

It is my/our desire that this gift be used for the following purpose:

Please enroll me/us in the [ORGANIZATION'S] Legacy Circle under the following conditions:

_____ Feel free to publish my/our name(s) among your list of Legacy Circle members as a way to inspire others to leave legacy gifts. (The amount of your gift is not published). Please list my/our name as follows:

_____ I/we prefer to remain anonymous.

Donor Signature 1

Date

Date of Birth

Donor Signature 2

Date

Date of Birth

Building Your Team

It is in the best interest of clients as well as their family legacy for their advisors to work together in supporting their philanthropic goals. Advisors assisting clients with philanthropic planning should therefore ask the client to introduce them to their other advisors. Once the introductions have been made, the client should articulate their goals with respect to the charitable gifts that they are contemplating. This ensures that all their advisors are on the same page.

With the creation of a team of advisors to provide planning support to a family, several positive results occur. First, ideas can be vetted from multiple angles, such as cash flow, tax, and legal aspects, as well as from the nonprofits' perspectives. Second, the vetting of ideas will help to reduce the probability of a negative outcome in one of these functional areas. Finally, the team can look for opportunities that may not be evident to one advisor alone.

Collaborators in Trust

[Charitable Planning and Nonprofit Development Professionals](#) are often experts in planned giving and maximizing the impact of a gift. They know the complexities of the organization and issues, so can help determine the best arrangement for a contribution and ensure a gift will be executed according to your client's wishes. They can provide customized illustrations for life income gifts.

[Philanthropic Consultants](#) can assist in pinpointing a client's long-term personal goals and the role philanthropy can plan in helping a client to achieve these goals. They can help by supporting and guiding a client through the process and can help execute on philanthropic goals and interests.

[Family Legacy Consultants](#) help families identify, build, and sustain human, social, and cultural capital as the basis of wealth planning and family success over generations.

[Estate planning attorneys](#) assist with the legal structuring of bequests, foundations, charitable trusts, and gifts.

[Wealth Managers, Financial Planners, Tax Accountants, and Insurance Professionals](#) help fulfill a client's goals and help them make wise choices about which assets to gift to family and which may make better gifts to charity and when.

Planning Resources

Recommended Books

Raising Financially Fit Kids, Jolene Godfrey
The Price of Privilege, Madeline Levine
The Hidden Gifts of Helping, Stephen Post
Six Word Lessons to Build a Sustainable Legacy, Tom Fowler
Beating the Midas Touch, Rod Zeeb, Perry Cochell, Tom Fowler
The Golden Ghetto, Jessie O’Neill
Philanthropy, Heirs and Values, Williams and Pressler
Giving, Philanthropy for Everyone, Esperti, Petterson, Zeeb
The Charitable Handbook, The National Underwriter
The Seven Faces of Philanthropy, Russ Prince, Karen File
Inspired Philanthropy: A Step by Step Guide to Creating a Giving Plan and Leaving a Legacy, Tracy Gary

Simple Ideas to share with your clients to get started

- Every November, the Association of Fundraising Professionals Advancement Northwest Chapter presents one of the largest National Philanthropy Day events in the country. Invite your clients to this inspiring and uplifting community event.
- Share Save Spend is a concept to help individuals and families to develop healthy money habits that honor their values and enhance their financial well-being. There are several websites and books on the topic, as well as banks, including Seattle’s own Moonjar money box for children.
- Encourage your client – even help to arrange – a site visit to a favorite charity to learn more about its work, challenges and how their support makes a difference.

Programs and Organizations

- 21/64 (resources to engage the next generation), <https://2164.net>
- The American College Chartered Advisor in Philanthropy (CAP) Program, www.theamericancollege.edu/designations-degrees/cap
- Association of Fundraising Professionals Advancement Northwest, www.afpadvancementnw.org
- Bainbridge Island Community Foundation, www.bainbridgecf.org
- The Community Foundation of Snohomish County, www.cf-sc.org
- The Community Foundation of South Puget Sound, www.thecommunityfoundation.com
- Greater Tacoma Community Foundation, www.gtfc.org
- Kitsap County Community Foundation, www.kitsapfoundation.org
- Leave 10, www.Leave10.org
- Moonjar (share save spend tools and conversation guides), www.moonjar.com

- Philanthropy Indaba (philanthropic travel), <https://www.departures.com/philanthropic-travel/9>. There are also several local travel companies that offer philanthropic experiences as well as a number of international organizations that organize trips abroad.
- Philanthropy Northwest, www.philanthropy.nw.org
- The Seattle Foundation, www.theseattlefoundation.org
- Social Justice Fund, <https://socialjusticefund.org>
- Social Venture Partners Seattle, www.socialventurepartners.org/seattle
- Sound Philanthropy, www.soundphilanthropy.com
- South Sound Planned Giving Council, www.sspgcouncil.org
- Tacoma Estate Planning Council, www.tacomaestateplanning.org
- Washington Planned Giving Council, www.wpgc.org
- Washington Women’s Foundation, <https://wawomensfdn.org>
- Whatcom Community Foundation, www.whatcomcf.org
- Youth Philanthropy Connect, www.fcfox.org/ypc-story

Regarding Cryptocurrencies

Third-party exchange examples:

Bitpay, Inc.
 Stephen Pair, Chief Executive Officer
 3405 Piedmont Rd NE, Atlanta, GA 30305
 (404) 919-3060
www.bitpay.com

Coinbase, Inc.
 Fred Ehrsam, President and Co-Founder
 548 Market St #23008
 San Francisco, CA 94104
 (888) 908-7930
www.coinbase.com

The Giving Block
 Katie Irving, Account Executive
 1100 15th St NW Ste 420
 Washington, DC 20005
www.thegivingblock.com