

Charitable Giving from the Donor's Perspective Solutions to Common Concerns



Michael W. Reagor, Esq.

Dymond • Reagor, PLLC

Attorneys at Law

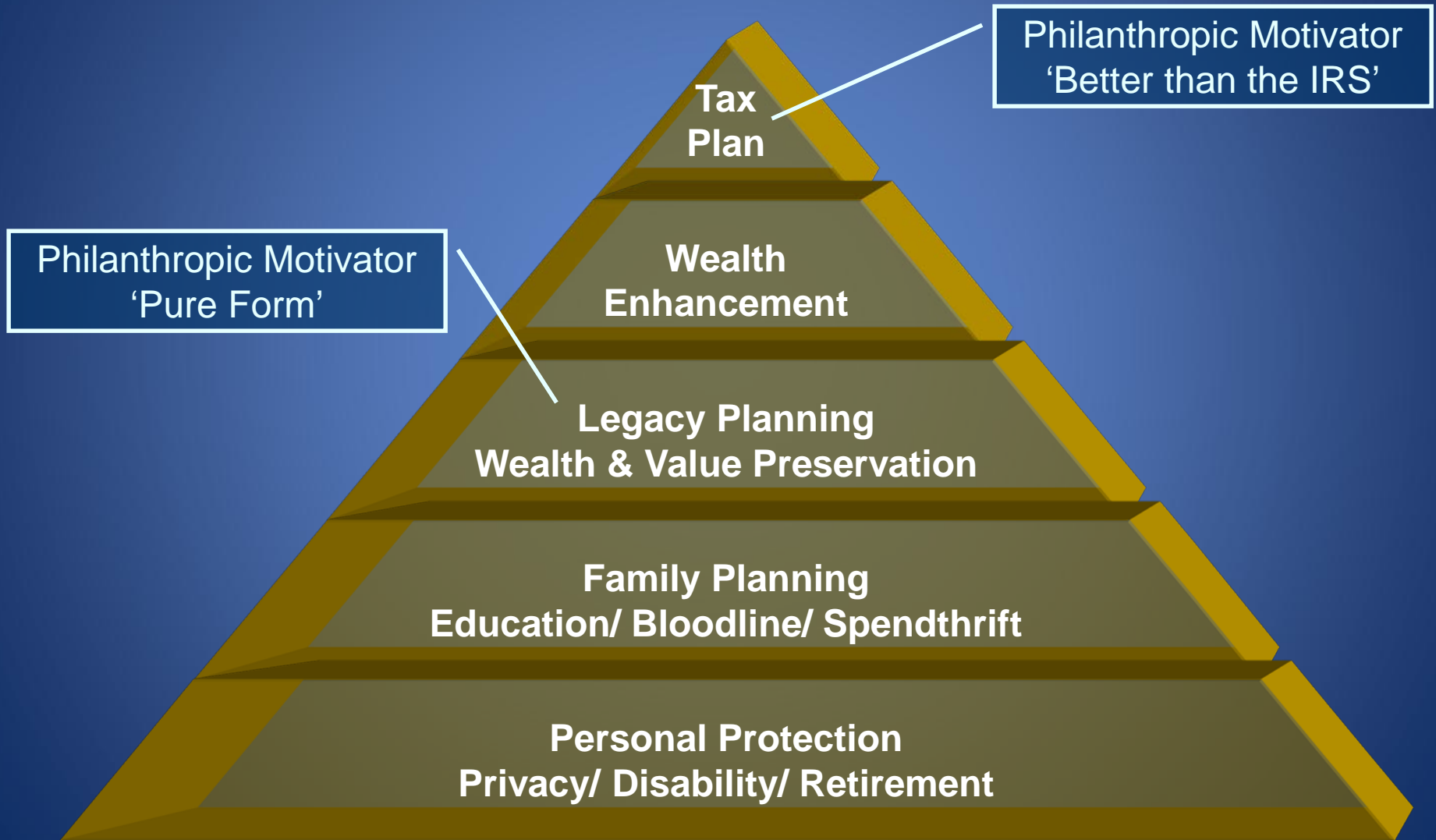
Suite 1040, The Edward Building

8400 E. Prentice Avenue

Greenwood Village, Colorado 80111-2922

www.drc-law.com

The Planning Pyramid



What Donors are Really Planning For

- What if my spouse remarries?
- What if I become disabled?
- My children are young
- My children have made/ might make bad decisions
 - AFFLUENZA
- Keep the money in the family

Why Donors Give

- Tax Issues
 - Increasingly not the reason
 - Other Options to Achieve Results
 - Fewer with Taxable Estates
- Non Tax Issues
 - Childhood/ Upbringing
 - Adult Experiences/ Values

How They Give

- Directly
- Immediately
- Periodically
- Sporadically/ Consistently
- At Death

Will/ Trust/ Beneficiary Gifts

- Specific Distribution
- Ultimate Beneficiary
- Tax Savings Clause (CRT)
- Beneficiary Designation

Life Insurance

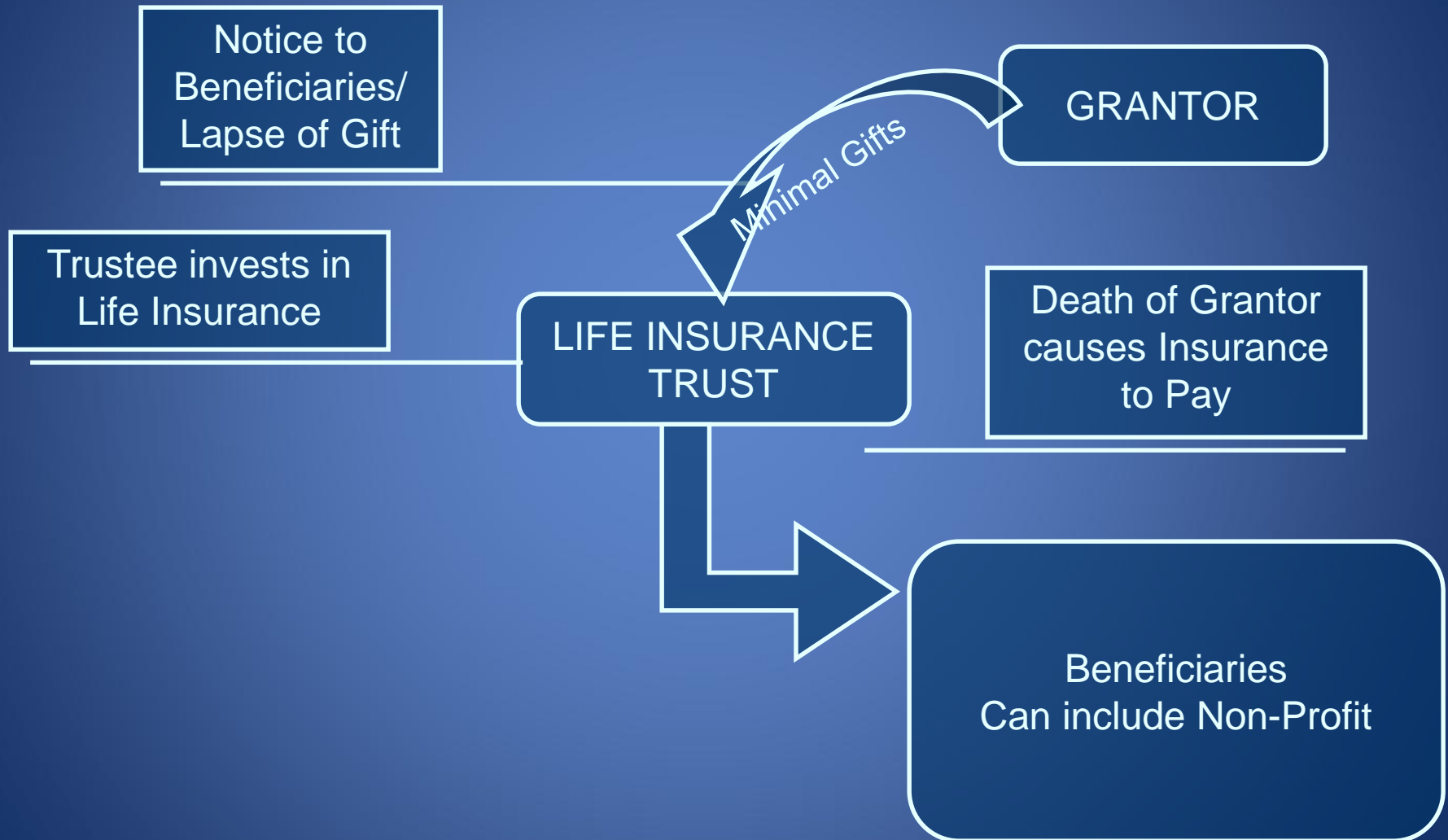
- Multiple Policies?
- Complicated Beneficiaries?
- Charitable Changes?
- Estate Tax Inclusion

Trust Options

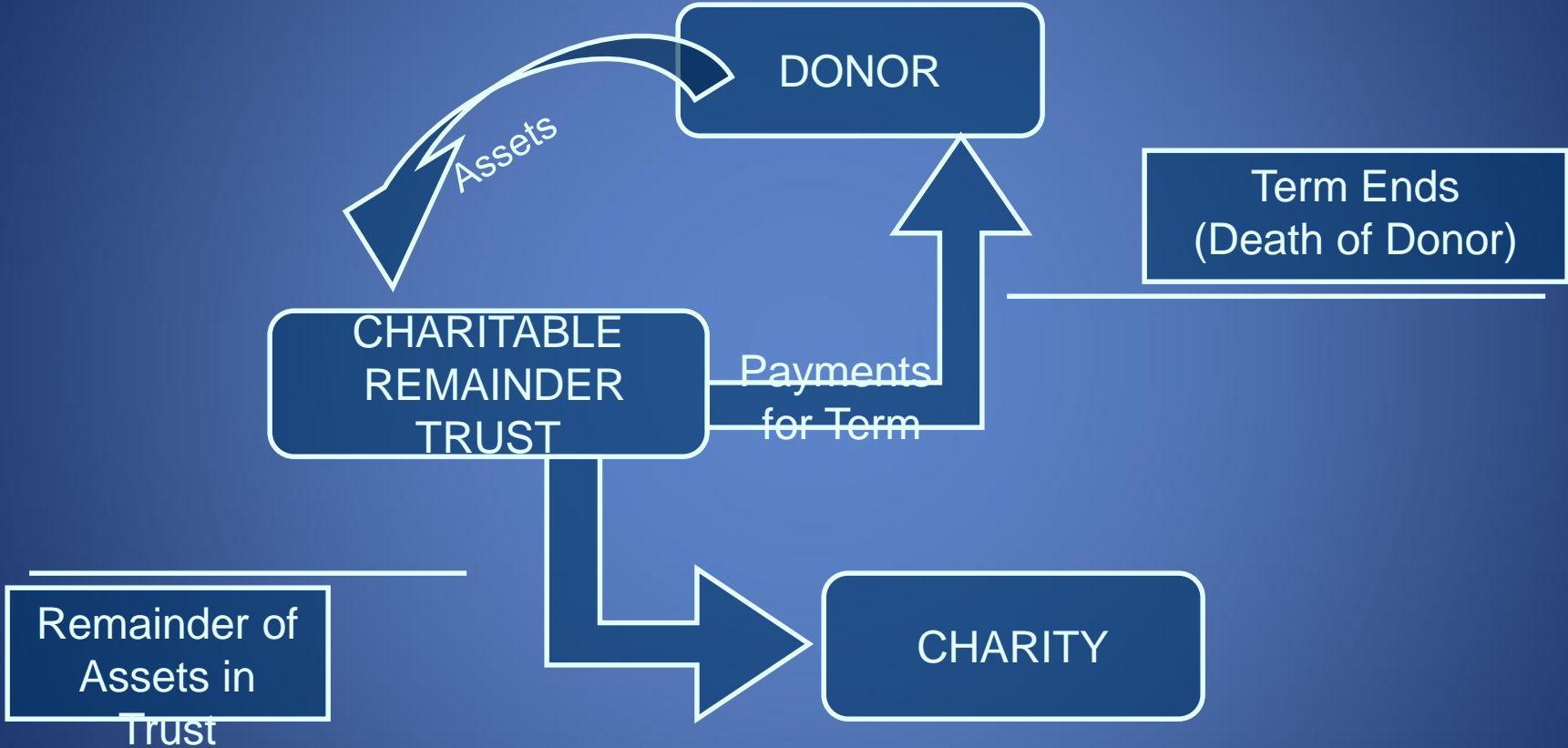
- Revocable Living Trust
- Irrevocable Life Insurance Trust
- Charitable Remainder Trust
- Charitable Lead Trust

- Private Foundations/
Supporting Organizations

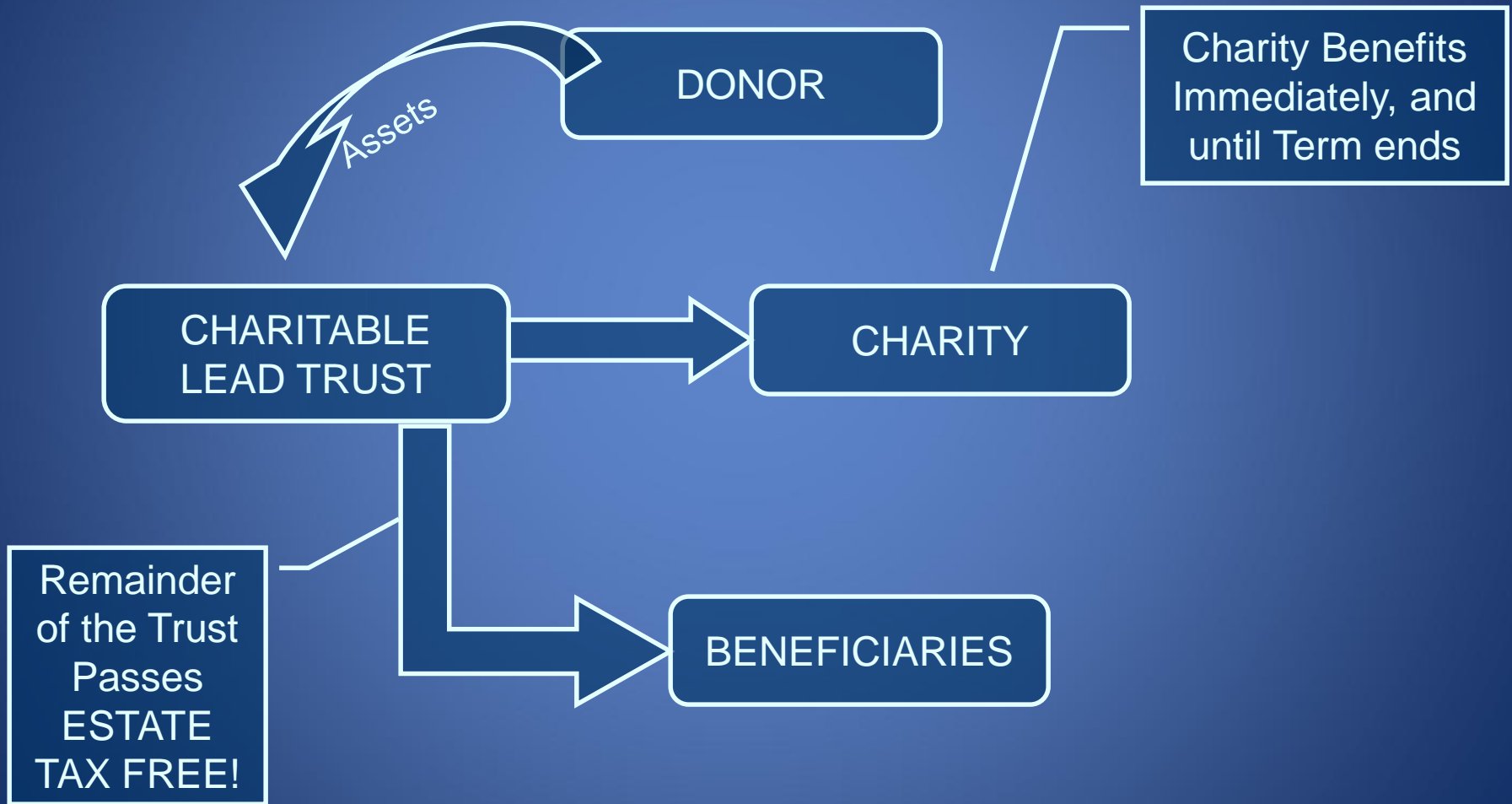
Irrevocable Life Insurance Trust



Charitable Remainder Trust



Charitable Lead Trust



Charitable Considerations

- Annuity or UniTrust
 - Fixed payment amount/ %
 - Easy to zero out/ GST
 - Kids or Grandkids
- Grantor/ Non Grantor
 - Income Tax deduction?
 - Totally out of estate
- Now or at Death
 - Immediate benefits
 - Estate Tax Wipeout
- Market Performance
 - What are expected returns
- AFR
 - What does the IRS say we will earn
- Asset Issues
 - Taxes due?
 - Liquid?

Loss of Control Is it an Issue?

Are donors ready and willing to give up the assets?

Would they be more willing if they asset wasn't totally
'Gone'?

Can we preserve flexibility for the Donor and still
benefit the non-profit?

Private Foundations

- Private Family Charity
 - Trust or Corporation
- Reduced charitable deductions
- 14,000 P.F.s < \$100,000 in assets
- Some say \$1M to be economically feasible
- Strict Rules for directors/ control/ beneficiaries
- 501(c)(3) Application

When Would You Use Them?

- Private Foundation
 - Family is supporting multiple causes
 - Desire for systematic giving
 - Leave a Legacy/ Maintain Control
- Supporting Organization
 - Control Benefit
 - Leave a Legacy
 - Comparatively Simple

Supporting Organization

- Less Formal Control by Family
- Higher Deductibility of Contributions
- Fewer Compliance Issues

- Charitable Trust is tied to the Supported Organization- Operation, Supervision, Control (no disqualified persons)

Reasons More Donors Don't Use These Techniques

- They don't know about them
- They don't understand them
- Their advisors don't know about or understand them
- They don't fit the planning goals

Education, Collaboration & Patience

- This is the Donor's legacy
- Who needs to be on board?
 - Donor
 - Advisors
 - Financial/ Accountant/ Attorney/ Family

Working Together, Everyone Benefits



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