

3 Tools & 3 Techniques in PG

Estate Planning Council of SW Washington
(sponsored by the Clark College Foundation)
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Three Main Tools in Planned Giving...

NUMBER #1: THE BEQUEST!

- Can Be a Specific Dollar Amount (not common)
- Percentage of the Estate (most common)
- Specific Asset
- Contingent Beneficiary

Three Main Tools in Planned Giving...

ADVANTAGES WITH BEQUESTS:

- Requires No Administration!
- Young and Old 501(c)(3)s Can Promote
- Inexpensive To Promote
- Easy to Thank People For (cert., wall & meal)
- ***EVERYONE*** Can Participate!

Questions
or
Comments?

Three Main Tools in Planned Giving...

NUMBER #2: THE GIFT ANNUITY!

- Tried and True Technique—ABS in 1843
- Simple Agreement—Typically No JDs Required
- WA State Law Requirements
- Need Software to do Calculations

Three Main Tools in Planned Giving...

NUMBER #2: GIFT ANNUITY CONTINUED...

- Investment and Administration Services Needed
- Typically Funded With Cash or Stock
- Sometimes Real Estate Can Work!

Three Main Tools in Planned Giving...

NUMBER #2: TYPES OF GIFT ANNUITIES...

- Current/Immediate Payments (most common)
- Deferred Payment (less common)
 - Fixed Start Date
 - Elective Start Date

Three Main Tools in Planned Giving...

NUMBER #2: GIFT ANNUITY PAYMENTS

- Cash Funded—Mostly Tax-Free Income
- Stock Funded—Mostly Capital Gain Income

Three Main Tools in Planned Giving...

ADVANTAGES WITH GIFT ANNUITIES:

- Simple Agreement—Typically no JD Required
- Great Return for Donors in Down Market
- Once Established, “Auto Pilot” to Manage
- Washington Program Requirements

Three Main Tools in Planned Giving...

DISADVANTAGE WITH GIFT ANNUITIES:

- ***MUST*** Pay Fixed Rate Regardless of Markets
- ***MUST*** Establish Consistent Administration

*Questions
or
Comments?*

Three Main Tools in Planned Giving...

NUMBER #3: THE CHARITABLE TRUST!

- Tax Reform Act of 1969
- Every CRT is Different!
- Requires “Art of the Deal” Expertise

Three Main Tools in Planned Giving...

NUMBER #3: TYPES OF CRTs:

- The Standard Payout CRT (aka CRUT)
- The Annuity Payout CRT (aka CRAT)
- NIMCRUTS (type I and type II)
- The “FLIP” Trust

Three Main Tools in Planned Giving...

ADVANTAGES WITH CRTS:

- Allows Potentially 5 Favorable Tax Outcomes...



J.L.



Three Main Tools in Planned Giving...

ADVANTAGES WITH CRTS:

- Allows Potentially 5 Favorable Tax Outcomes
- Typically Allows for LARGE Gifts to be Made
- “Sexy” to Promote and Talk about!

Three Main Tools in Planned Giving...

POTENTIAL DISADVANTAGES WITH CRTs:

- Requires Experienced Attorney—SORRY!
- Helps if Charity can Help
- Requires “Tons” of Paperwork
- Trustee Must Understand Role
- Administration Must be Impeccable

Questions
or
Comments?

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***Thank You for
Attending this
Session Today!***