

CLUT-TERED: MY FIRST CHARITABLE LEAD TRUST – A CASE STUDY

Prelude: In December of 2013, the OHSU Foundation signed the fifth largest gift it has ever received: A CLUT funded with \$20 Million of Nike stock, with a projected value to the Foundation nearly \$28 Million. This session will walk through, chronologically, the origin of the gift, the attendant circumstances, the questions raised and issues addressed during its development and implementation, and its ultimate benefit.

- I. Introduction: CLT Primer
 - a. Establish Audience Familiarity & Experience
 - b. Basic Explanation of CLT Gift Principles
- II. Background of Gift
 - a. Webs of Relationships
 - i. Donors – Attorney
 - ii. Attorney – GP Officer
 - iii. Donors – OHSU
 - iv. GP Officer – Other OHSU development staff
 - v. Other OHSU development staff – Donors
 - vi. Donors – Nike
 - vii. Donors - Family
 - b. Donors’ Motivations
 - i. Passing assets to heirs (children & grandchildren)
 - ii. Making “grateful patient” gift
 - iii. Making Knight Challenge gift
- III. Gift Design
 - a. Document Preparation
 - i. Draft prepared by attorney
 - ii. Documents related to accompanying gifts
 - iii. (Gifts as a part of an overall asset transfer plan)
 - b. Scenario Projections
 - i. Minimizing gift tax consequences
 - ii. Addressing GST issues
 - iii. Calculating benefit to OHSUF
 - c. Protecting the Foundation’s interests
 - i. Review by counsel
 - ii. Approval by officers
- IV. Trust Signing
 - a. Information to be shared
 - i. Who are all the “players”
 - ii.
 - b. Arrangements to be understood
 - i. Who is responsible for what

- ii. Donor recognition
- V. Practicalities of Trusteeship
 - a. Responsibilities – legal and otherwise
 - i. Reporting to donors and beneficiaries
 - ii. Maximizing the distribution mandates
 - iii. Following *Prudent Investor* guidelines
 - b. Dealing with the donors’ advisors
 - i. Who will do investing?
 - ii. Who will do tax preparations?
 - c. Investment challenges
 - i. Diversifying a single holding, zero basis, stock
 - ii. Relating investment strategies with Foundation existing policies
 - iii. Balancing distribution needs with preservation of assets for heirs
- VI. Benefit to OHSUF
 - a. How is the benefit calculated & recorded?
 - i. CLUT vs. CLAT
 - ii. Value in campaign counting
 - iii. Is it a pledge?
 - iv. When is donor receipted?
 - b. Are there potential future benefits?
 - i. Are donors likely to make additional gifts?
 - ii. Could the donors’ gift prompt others to act?
- VII. Conclusion: Reflections on the Process and Outcome
 - a. What went well
 - i. Collaboration of external parties involved
 - ii. Internal processes developed smoothly – relatively speaking
 - b. What might we do differently
 - i. Ask more questions
 - ii. Ask them earlier
 - c. What are the Foundation’s next steps
 - i. As Trustee of the trust
 - ii. As Steward of the donors & their family