

PINEVILLE



NEIGHBORS PLACE

Planned Giving Options
Updated August 2023

PLANNING GIVING OPPORTUNITIES

Charitable Bequest

Beneficiary Designations

Donor-Advised Fund

Private Foundation

Charitable Remainder Trust (CRT)

Charitable Lead Trust (CLT)

CHARITABLE BEQUEST

WHAT IS IT?

- Naming charity as a beneficiary under your Will or Trust
- Can specify specific dollar amount or percentage/fraction of assets
- Allows for splitting estate among multiple charities
- May dictate restricted (or unrestricted) purpose
- Option to describe what happens if charity dissolves

HOW DO YOU DO IT?

- Talk with your attorney to update Will and/or Trust documents
- Can include in new Will or make simple amendment to existing Will
- Very common addition to estate documents

WHAT IS THE COST?

- Only the cost to update estate documents (attorney fees vary)
- No cash outflow to charity while living

WHAT IS THE BENEFIT?

- Charitable intentions pre-determined
- Not left to family/probate court to decide

BENEFICIARY DESIGNATION: LIFE INSURANCE POLICY

WHAT IS IT?

- Designated charity receives the proceeds from your life insurance policy when you die
- May designate only a portion of proceeds go to charity

HOW DO YOU DO IT?

- Name Pineville Neighbors Place as the beneficiary of your life insurance policy
- Continue to pay the premiums (as you normally would)

WHAT IS THE COST?

- No additional cost

WHAT IS THE BENEFIT?

- Insurance proceeds would not be included in estate for estate tax purposes
- Opportunity to make large gift without impacting current cash flows

BENEFICIARY DESIGNATION: RETIREMENT ACCOUNTS

WHAT IS IT?

- Designated charity receives proceeds from your retirement accounts (401k, IRA, etc.) when you die
- May designate only a portion of proceeds go to charity

HOW DO YOU DO IT?

- Name Pineville Neighbors Place as the beneficiary of your retirement accounts
- Normally you can do this online

WHAT IS THE COST?

- No additional cost

WHAT IS THE BENEFIT?

- Account proceeds would not be included in estate for estate tax purposes
- Opportunity to make large gift without impacting current cash flows

DONOR-ADVISED FUND (DAF)

WHAT IS IT?

- An investment account created for the sole purpose of supporting charitable organizations
- Donor contributes to the Donor-Advised Fund and gets an immediate charitable tax deduction
- The funds may grow tax-free, then distributed to a designated charity (now or later)
- Account closes upon death of owner

HOW DO YOU DO IT?

- Establish a Donor-Advised Fund at a financial institution, such as Schwab Charitable or Vanguard Charitable
- Make contributions to the Donor-Advised fund
- Take a tax deduction for the year in which you made the contribution
- Recommend grant(s) to approved 501c(3) charitable organizations

WHAT IS THE COST?

- Most institutions charge a small administrative fee (Schwab = 0.6% of account balance, annually)

WHAT IS THE BENEFIT?

- Immediate tax deduction in year you contribute
- Can donate appreciated securities (like stock, bonds, and mutual funds)

PRIVATE FOUNDATION

WHAT IS IT?

- A non-profit entity created for the purpose of fulfilling charitable intentions
- Donor contributes to the Private Foundation and gets an immediate charitable tax deduction
- The funds may grow tax-free, then distributed to another non-profit, individuals, programs, etc.
- Can contribute more than liquid assets (e.g. real estate)
- May exist in perpetuity, even after owner dies

HOW DO YOU DO IT?

- Establish the entity through filing for tax-exempt status and other administrative documents
- Establish Board of Directors (and Policies & Procedures)
- Could cost several thousand

WHAT IS THE COST?

- Initial start-up expenses could be thousands in legal fees.
- Ongoing operating expenses (potentially third-party admin fees)

WHAT IS THE BENEFIT?

- Immediate tax deduction in year you contribute
- Can donate a variety of assets
- Can donate to more than other charities (i.e. Grants to Individuals, Scholarships, etc.)

CHARITABLE REMAINDER TRUST (CRT)

WHAT IS IT?

- Irrevocable trust that generates an income stream for the donor, with the remainder of the donated assets going to charity
- Charitable Remainder Annuity Trust (CRAT) vs. Charitable Remainder Unitrust (CRUT)

HOW DO YOU DO IT?

- Talk with an estate planning attorney to draft trust documents
- Establish a trust account at a financial institution
- Hire CPA, investment manager, administrator, etc. to handle trust management
- Make irrevocable contribution to the trust and take tax deduction

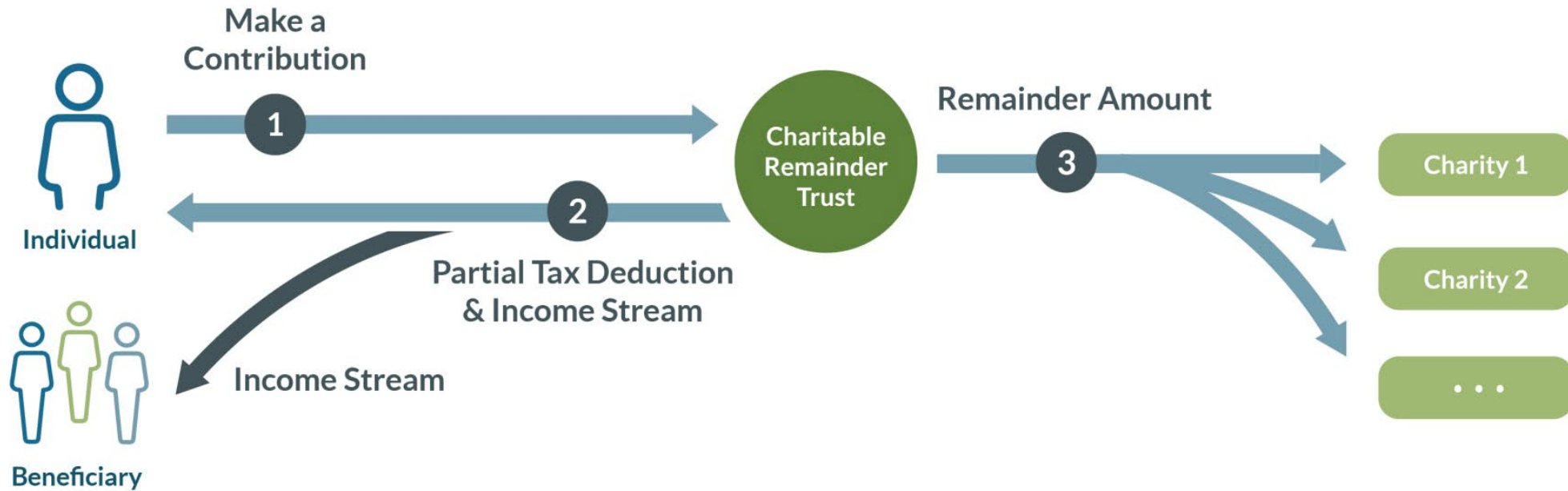
WHAT IS THE COST?

- One-time setup charges: \$3,000 - \$8,000
- Ongoing Management/Admin Fees: 0.75% - 1.25%
- Ongoing Legal/CPA Fees: Varies

WHAT IS THE BENEFIT?

- Immediate tax deduction in year you contribute
- Removes assets from estate for estate tax purposes
- Allows for donor to continue to receive income stream from those assets

CHARITABLE REMAINDER TRUST (CRT)



CHARITABLE LEAD TRUST (CRT)

WHAT IS IT?

- Irrevocable trust designed to provide financial support to one or more charities for a period of time, with the remaining assets eventually going to non-charitable beneficiaries (i.e. family).
- Charitable Lead Annuity Trust (CLAT) vs. Charitable Lead Unitrust (CLUT)

HOW DO YOU DO IT?

- Talk with an estate planning attorney to draft trust documents
- Establish a trust account at a financial institution
- Hire CPA, investment manager, administrator, etc. to handle trust management
- Make irrevocable contribution to the trust and take tax deduction

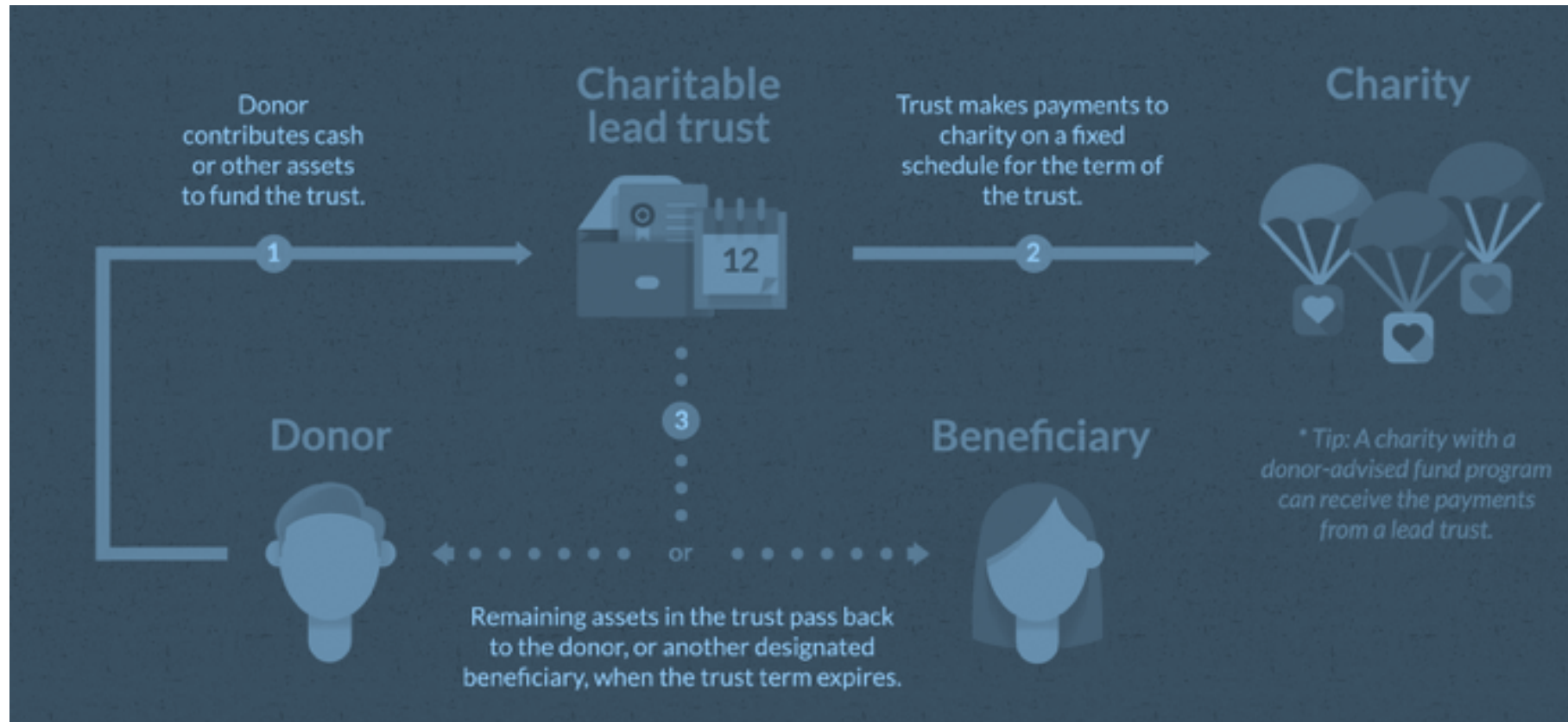
WHAT IS THE COST?

- One-time setup charges: \$3,000 - \$8,000
- Ongoing Management/Admin Fees: 0.75% - 1.25%
- Ongoing Legal/CPA Fees: Varies

WHAT IS THE BENEFIT?

- Depending on how it's structured, donor may receive immediate tax deduction,
- OR remove the assets from the donor's estate (lowering gift or estate taxes)
- Allows donor to contribute to charity while leaving remainder to loved one

CHARITABLE LEAD TRUST (CRT)



We can help!

If you are interested in discussing your giving plans, we invite you to contact the Executive Director of Pineville Neighbors Place, Staci McBride, to schedule a meeting at your convenience.

staci@pinevilleneighbors.org or 704-972-8722