

Charitable Giving Strategies

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Primary Vehicles

- Cash donation
- Appreciated stock donation
- Public Charity
- Charitable Lead Trust (CLT)
- Charitable Remainder Trust (CRT)
- Private Foundation
- Donor Advised Fund

Tax Motivations

- Appreciated Stock Defined
 - Market quotations readily available on an established securities market
 - Less than 10% of the outstanding stock
- Results
 - No income tax on capital gain
 - No inclusion in taxable estate
- Limitation on Income Tax Deduction
 - 50% or 30%
 - Current year plus 5

Charitable Lead Trust (CLT)

- Fixed Annuity or Uni-trust
- Payments for life or fixed term paid to Charity
- Remainder to heirs
- See the Charity benefit in your lifetime
- Need a Trustee

Charitable Remainder Trust (CRT)

- Fixed Annuity or Uni-trust
- Payment for life or fixed term paid to you or your heirs
- Remainder to Charities
- Provide current income at a high rate
- Defer (not avoid) capital gains taxes
- Need a Trustee

Private Foundation

- Registered non-profit corporation
- Need three Trustees minimum
- Special concerns
 - Nuisance tax 1% or 2%
 - Minimum distributions 5% of corpus
 - Avoid UBTI and Self Dealing
 - Attorney's fees; IRS fees

Other Concerns

- Unrelated Business Taxable Income (UBTI)
- Self dealing

Suitable Clients

- Net Worth subject to Federal Estate Tax
 - \$5.43 million per spouse in 2015
- Currently making or planning gifts to charities