



# Planned Giving

6 Ways to Begin Your Planned Giving Program

# Presenters



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## ABOUT US

*“For those intent on a secure retirement”*

- Financial Planning & Consulting
- Investment Advice & Portfolio Management



The Law Offices of  
**Boyd & Boyd, P.C.**



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# Begin Your Planned Giving Program



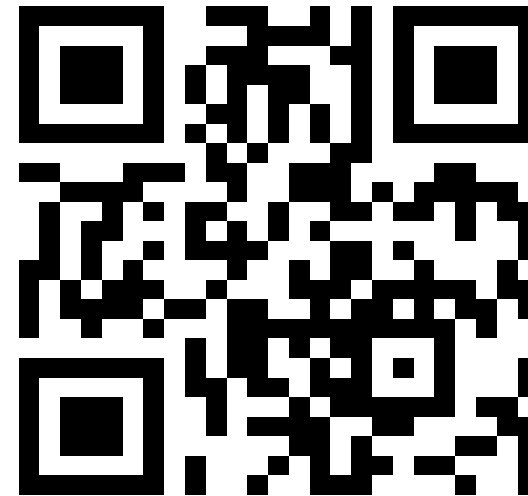
## Agenda



# Agenda

*Establish a transformational source of revenue that can secure the future of your organization, while creating a meaning legacy for your donors. **Where to Start?***

- ✓ **Did You Know?**
- ✓ **Why Give?**
- ✓ **Estate Planning: the basics**
- ✓ **6 Ways to Start**
- ✓ **Next Steps**





# Begin Your Planned Giving Program

## Did You Know?



# Philanthropy in 2018

**427**

Billions donated

**70**

% of gifts occurred in  
November & December

**80**

% were cash gifts





**\$39**  
*Billion*

**Bequest**

**\$95**  
*Billion*

**Corporations  
& Foundations**

**\$292**  
*Billion*

**Individuals**

## **Charitable Giving by Source**

# MARKET OPPORTUNITY

Go To Menti.com - Use Code 78 46 16

**-37%**

2008 Performance of S&P 500

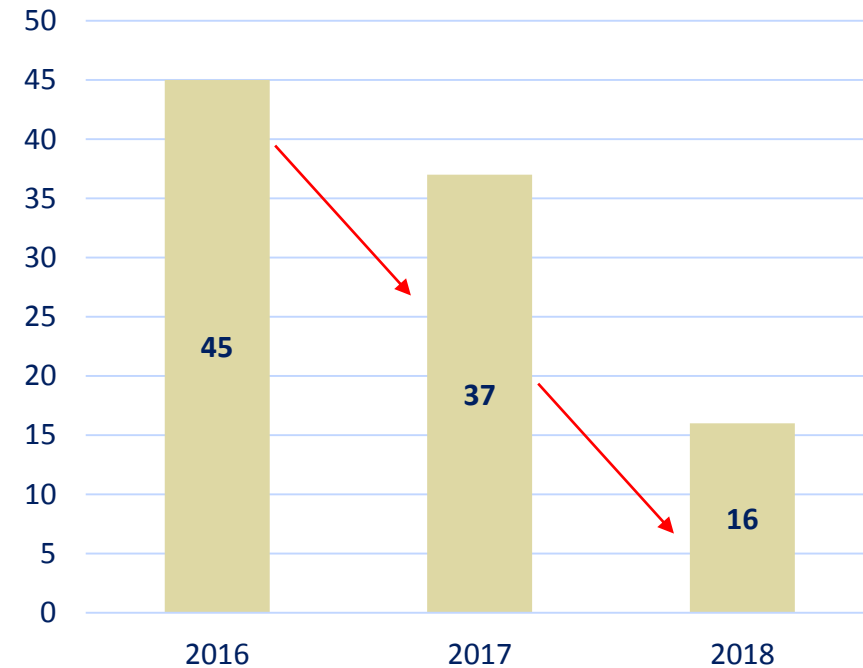
**-3%**

Reduction in giving from the prior year

# Impact of Tax Cuts and Jobs Act (TCJA)

- Standard deduction doubled
- Giving amount, timing, and vehicle affected
- Highest-income givers exceed the new limit
- Proposed “Charitable Giving Tax Deduction Act”
- Old standard deduction returns in 2025

Households Itemizing Deductions  
(\$MM)





# Impact of Tax Cuts and Jobs Act (TCJA)

## TOTAL U.S. GIVING

### 2016 - \$390.05BN

Total up 2.7%  
(Up 1.4% w/inflation)  
Individual up 3.9%  
(Up 2.6% w/inflation)

- S&P volatility | up 9.5%
- Election uncertainty
- Anticipated tax law

### 2017 - \$410.02BN

Total up 5.2%  
(Up 3% w/inflation)

Individual up 5.2%  
(Up 3% w/inflation)

*Individual 70% of  
total giving*

- S&P up 20%
- Strong personal income & consumption
- 12/22/17 – tax law signed

### 2018 - \$427.71BN

Total up 0.7%  
(Down 1.7% w/inflation)

Individual down 1.1%  
(Down 3.4% w/inflation)

*Individual 68% of  
total giving*

- Stock market volatility
- Strong personal income & consumption
- Tax law provisions effective



## ***Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE ACT)***

### ***Primary Reforms Proposed:***

- More part-time workers to have the opportunity to participate in a 401(k) plan.
- The chance to contribute to traditional IRAs for as long as desired.
- The minimum distribution age for retirement accounts to shift from 70 1/2 to 72 years old.
- Penalty-free withdrawals to be allowed for special circumstances.
- A requirement to withdraw from inherited retirement accounts within 10 years.



## ***Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE ACT)***

### ***Potential Solutions:***

- Roth Conversions
- Multi-generational spray trusts
- Fiscal year planning
- Spousal rollovers
- IRA Trusts for State Income Tax Savings
- Life insurance to offset increased tax-risk of early death
- IRAs to CRTs
- Qualified charitable contributions
- Naming a charity as a beneficiary



## ***Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE ACT)***

### **IRA Inheritance Trust™**

- Uses Stretch-out
- Pays RMD to Bene
- IRA continues
- Tax Deferral Continues
- Gives Asset Protection for Principal
- Distributions grow (reducing Trust principal) as Bene get older
- All \$\$ goes to Heirs

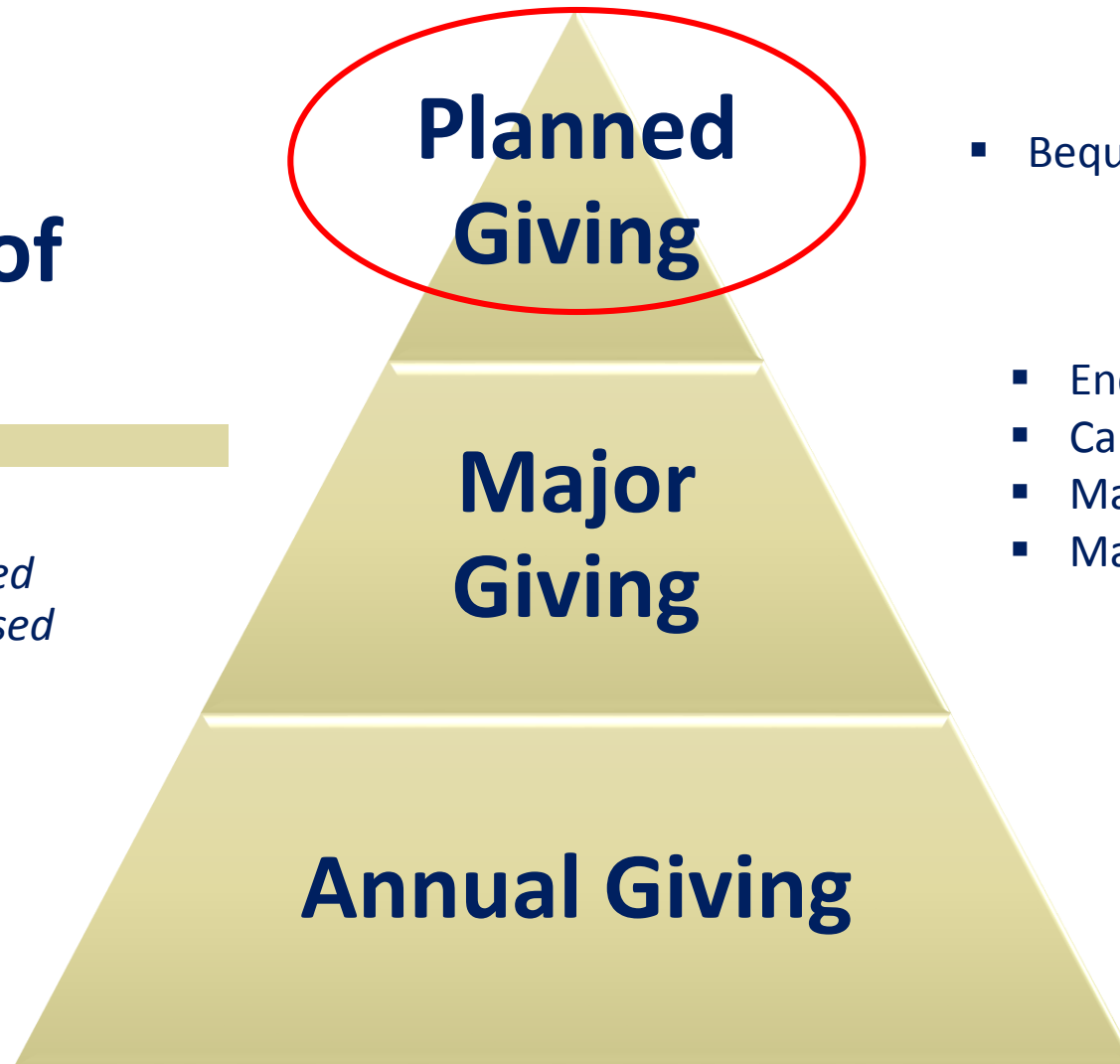
### **IRA Income Trust™**

- No Stretch-out
- Pays Income/Annuity to Bene
- IRA ends
- Tax Deferral Continues
- Gives Asset Protection for Principal & Distributions
- Distributions are
  - Fixed or
  - Fluctuate with Principal
  - Principal preserved
- Some \$\$ eventually goes to Charity

# Longer-term planning is needed...

## Pyramid of Giving

*Segment potential donors into expected levels of giving, based on giving history*



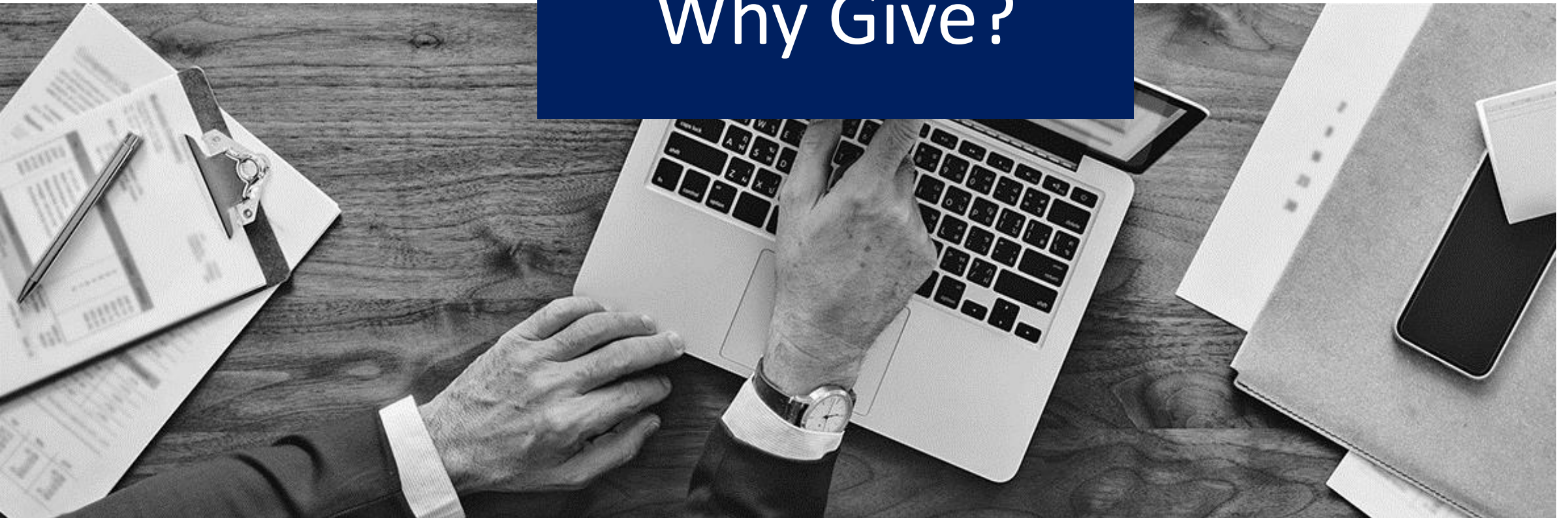
- Bequests

- Endowment Campaign
- Capital & Special Campaigns
- Major Gifts from Individuals
- Major Gifts from Corps.

- Volunteer-Led Annual Giving Campaign
- Activities, Benefits & Special Events
- Groups & Support Organizations
- Membership & Membership Assocs.
- Direct Mail
- Public ( local area)

# Begin Your Planned Giving Program

## Why Give?





# Legacy gifts

## *Major Donors need:*

- To experience the problems
- To see the solutions firsthand



## Legacy gifts

### *Major Donors want to know:*

- Is this the right group?
- How will my gift be used?
- When will my gift be used?



## Legacy gifts

### *Passing on Values as well as Wealth*

- Share personal interests w/family
- Integrate family w/common cause
- Involve younger generation in decision-making







## SOLUTION

### It's not about focusing on the Tools of Giving

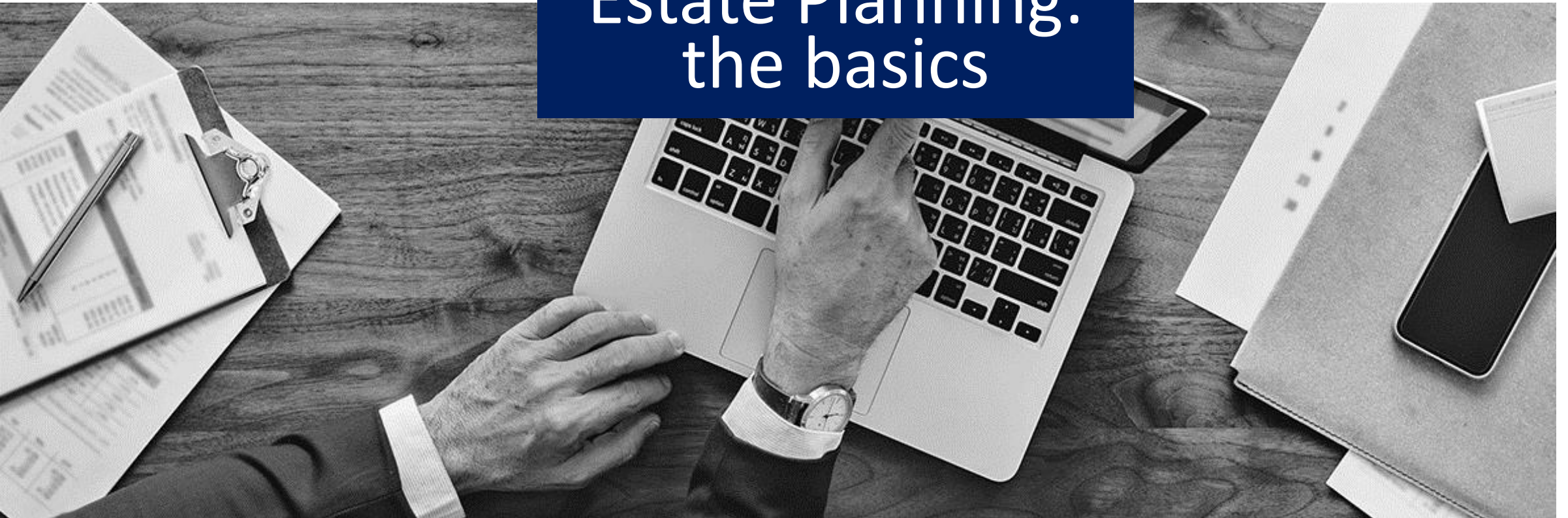
- Inspiring long-term confidence
- Strength of your organization
- Promoting your heritage
- Overlapping values, continuity, employee longevity
- Trust in leadership



# Begin Your Planned Giving Program



## Estate Planning: the basics





## Primary Objectives

- Testamentary Disposition
- Incapacity Care
- Probate Avoidance
- Asset Protection
- Income Tax Avoidance
- Estate Tax Avoidance





## Basic Building Blocks

- Health Care Proxy
- Living Will
- Durable Power of Attorney
- Will
- Trust with PAT
- Funding Documents
- IRA Inheritance Trust<sup>TM</sup>



# Begin Your Planned Giving Program

## 6 Ways to Start





#1

## Just ASK!

- Ask to be included in estate plan  
- Will or Trust
- Include donor giving information on website and in communications

# #2

## Beneficiary Changes



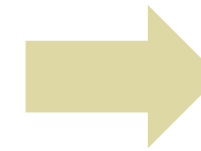
- Life Insurance, Annuities, Retirement Accounts
- Simple beneficiary change – whether in-part or in-full can lead to a future windfall
- All ages – not just retirees

**#3**



**Age 70-1/2 and beyond**

**Qualified  
Charitable  
Distribution**



**Up to \$100,000 by December 31st**



# U.S. retirement assets near \$25 trillion\*

#3

## Required Minimum Distribution (RMD)

# Qualified Charitable Distribution

**METHOD OF PAYMENT (CHECK ONE BOX)**

A. Easily transfer the distribution to the following TD Ameritrade account: \_\_\_\_\_  
If the receiving account is a nontaxable account, what tax year is the contribution for? \_\_\_\_\_

B. Send check

U.S. First Class Mail  Overnight (fees may apply)

Address of Record

To Alternate Payee and/or Alternate address (complete section below)

This is a Charitable Donation  Check this box if Donation is to be anonymous

Payee Name (if Applicable): \_\_\_\_\_  Care of (optional for alternate address): \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP Code: \_\_\_\_\_

Additional Information (if Applicable): \_\_\_\_\_

C. Electronic

Wire Funds (fees may apply)  ACH funding  Checking  Savings

Name on Bank Account (list name as it appears at bank and if name contains initials, please provide full name): \_\_\_\_\_

Bank Account Number: \_\_\_\_\_ ABA Routing Transit Number: \_\_\_\_\_

Bank Name: \_\_\_\_\_

Please provide the following information if the request is a wire to an escrow/mortgage or brokerage account:

For Further Credit to Name (if name contains initials, please provide full name): \_\_\_\_\_

For Further Credit to:  Escrow/Mortgage file # \_\_\_\_\_  Brokerage Account # \_\_\_\_\_

\*Source: benefits PRO; June 30, 2015



# #4

## Insurance Options

- Beneficiary of policy – premium payments
- Beneficiary policy – donor pays premiums
  - Premiums could qualify as tax deduction
- Cash-In policy for cash value
- Sell policy - viatical or life settlement

## Annuities Option

- Issued before 4/22/87 – donor recognizes income (gain in excess of basis) when charity receives \$
- Issued after 4/22/87 – donor recognizes income in year of transfer (FMV=deduction)





#5



# Donating Appreciated Assets

### SAMPLE LETTER OF INSTRUCTION

Name  
Street Address  
City, State Zip Code

Date  
J. Christopher Boyd  
Asset Management Resources, LLC  
1060 Falmouth Road  
Hyannis, MA 02601

Re: Letter of Instruction

Dear Chris,

This letter is intended to serve as an instruction to assign some of our securities for further deposit to designated charitable organization to fulfill our pledge name.


Please assign x# shares of designed stock from our account #x to designated charitable organization via wire transfer to their broker, broker name (DTC#x). The account number for designated charitable organization of city, state is #xxx-xx-xxxx.

Should you have any questions, please contact me during business hours at xxx-xxx-xxxx. Thank you for your assistance in this matter.

Sincerely,

Donor name

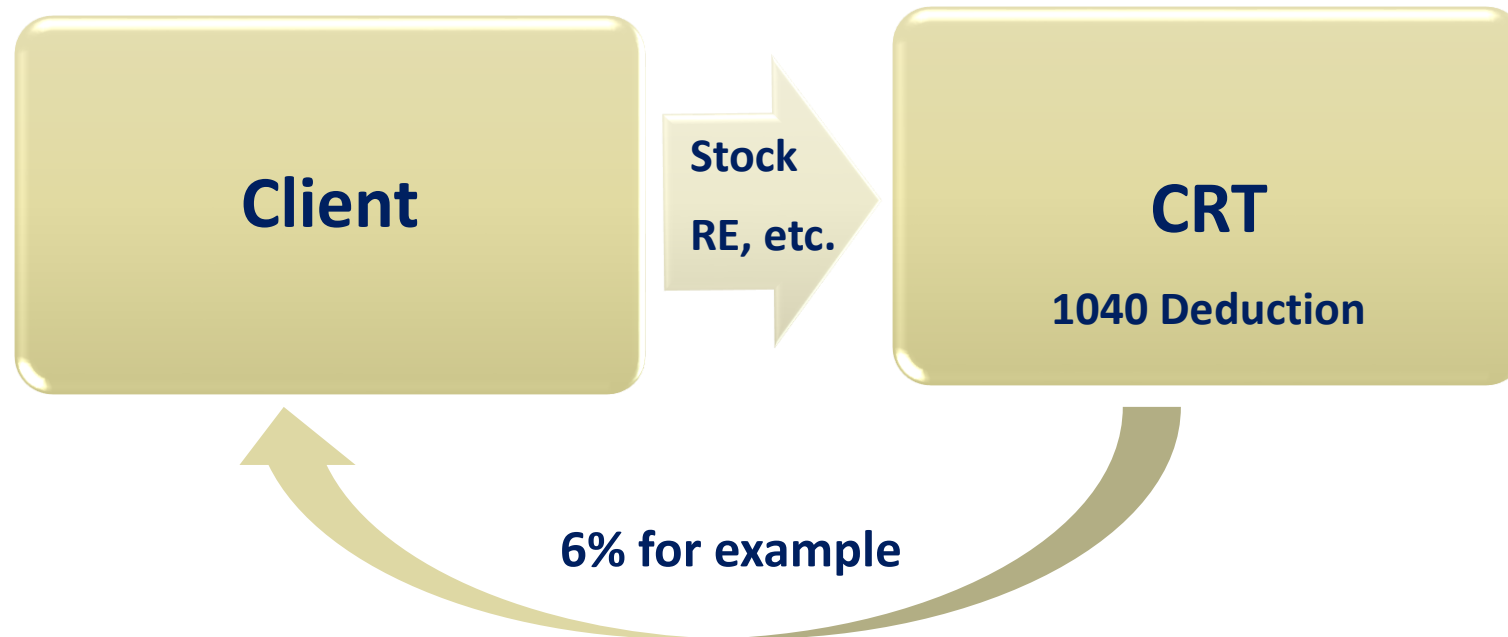
Cc: Designated charity contact

DTC TRANSFER REQUEST FORM	
	Account # _____ Advisor Code _____ Case # _____
Please transfer the following positions via DTC to Receiving Firm Name:	DTC Number: _____
Client Receiving Firm Account Title:	Client Receiving Firm Account Number:
ASSET DESCRIPTION AND/OR STOCK SYMBOL	NUMBER OF WHOLE SHARES
I (we) authorize TD Ameritrade Clearing, Inc. to transfer the listed securities as indicated. I understand any trading could delay the transfer. I am aware that a processing fee may be charged per position, and that fees must be available to complete this transfer. If a charitable contribution, I certify that it is bona fide. TD Ameritrade Clearing, Inc. may release my name to the receiving charitable organization unless I indicate otherwise by initialing here: _____	
<b>SIGNATURES</b>	
This form must be signed by all Account Owners.	
Account Owner's Printed Name: _____	_____
Account Owner's Signature: _____	Date: _____
Account Co-Owner's Printed Name: _____	_____
Account Co-Owner's Signature: _____	Date: _____

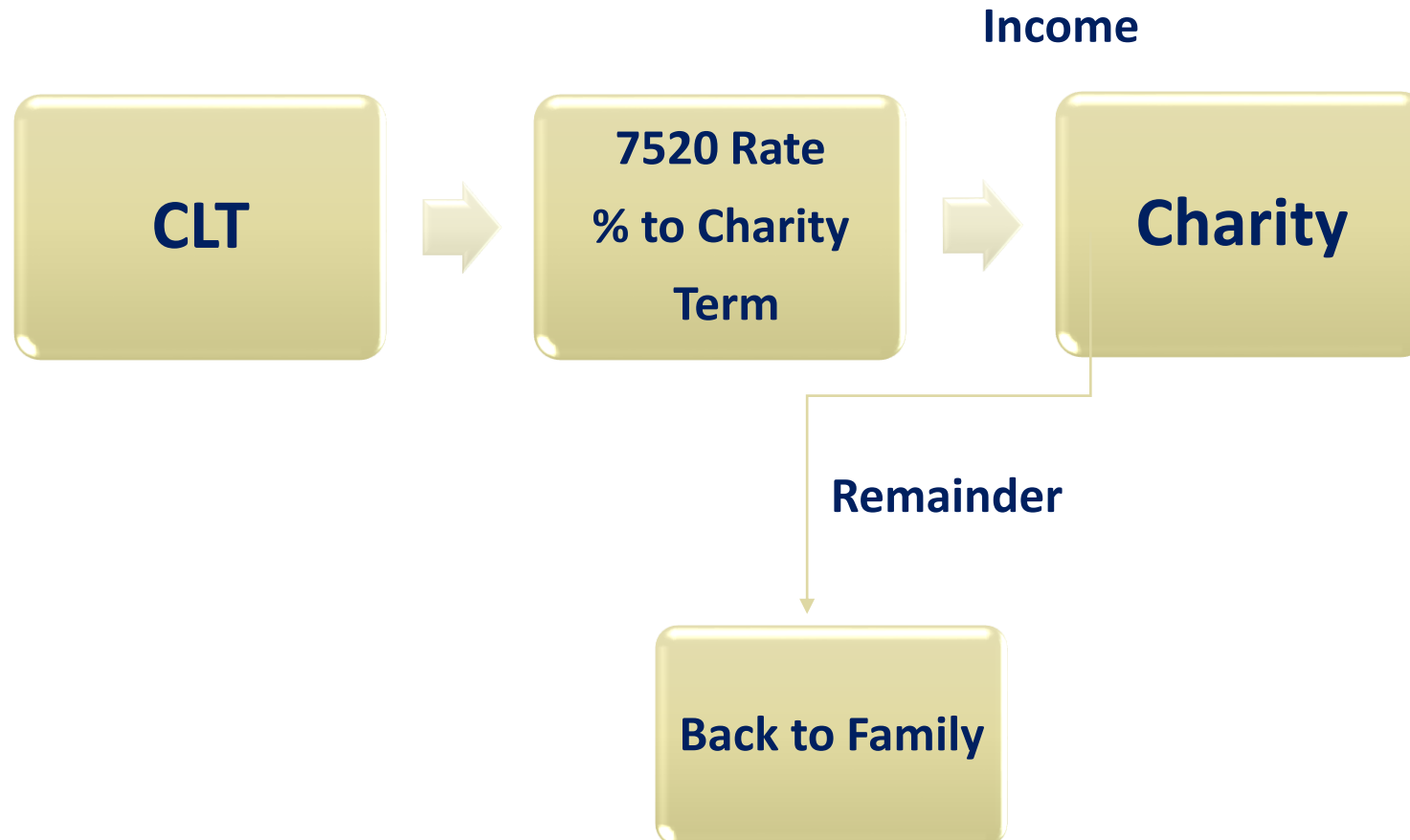
#6

# Trust Techniques

# Charitable Remainder Trust



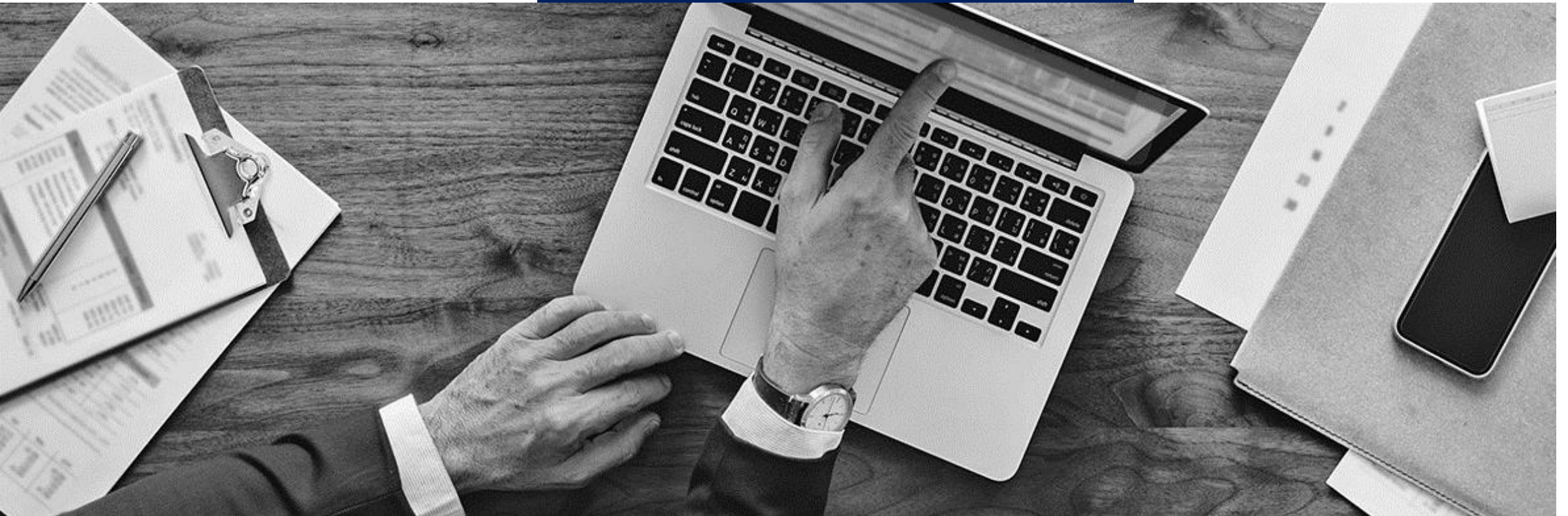
# Charitable Lead Trust





# Begin Your Planned Giving Program

## Next Steps





## NEXT STEPS

### *Don't do it alone*

- Engage Board and big donors
- Find what is motivating donors
- Teach planning concepts
- Use estate planner and financial planner as resources





# QUESTIONS?



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