

Charitable Giving

by Paula Chesser

Charitable giving is a time-honored American tradition. According to charitynavigator.org, Americans gave \$358.38 billion in 2014, the equivalent to about 2 percent of the U.S. gross domestic product (GDP). The majority of that giving, \$258.5 billion, came from individuals like you and me.

Philanthropic passions strike people of all ages for many different reasons. Some choose to support personal values; some give with the prospect of reducing their tax burden or other estate planning opportunities. There are many ways to give strategically, benefitting both you and your chosen charities. Here are a few examples:

Donor-advised funds: For individuals and families with strong charitable inclinations, donor-advised funds allow an immediate income tax deduction for contributions, and you may choose the charity or multiple charities to benefit from your contribution, as well as determine when the grants will be given.

Charitable remainder trust (CRTs): The CRT is used by many people who intend to make gifts (generally \$250,000 or more) to charity, but wish to retain a stream of income for their lifetime or a designated period of years.

The CRT is often funded with appreciated property so that when the property is sold the charitable trust pays no capital gains and all of the sales proceeds can be reinvested. You state in your document what annual return you wish to receive from the trust.

You will receive a charitable deduction for the charitable remainder value of the trust as projected when you make your gift. Two types of CRTs are commonly used:

The charitable remainder unit trust (CRUT): The CRUT is popular for many donors because multiple gifts can be made throughout the life of the trust. The percentage income payout to you is based on the market value of the account at the end of each calendar year. This type of account is subject to market risk and volatility, but allows for increased income in up markets.

The charitable remainder annuity trust (CRAT): The CRAT is popular among those who want a guaranteed stream of income from their charitable gift, regardless of market conditions. The annual income return is calculated based on the original value of the gift. The value of the charitable deduction is calculated on the charitable remainder when the gift is made. No additional contributions are allowed to this trust.

Family foundations: Higher net worth families often choose to establish their own private

foundation to receive cash gifts, appreciated assets and distributions from their CRTs. A family foundation allows for family control over decision-making concerning the charitable recipients of the gifts, which may change from year to year. A minimum of 5 percent of the principal value of the foundation must be distributed to charities each year. Like the CRTs, these accounts will cost more to establish and require annual tax filings.

Gifts of appreciated stock: Instead of making cash gifts, you can avoid paying capital gains tax on the appreciated value of your assets and receive a tax deduction of up to 30 percent of your Federal Adjusted Gross Income (AGI) by making a gift of appreciated stock directly to your favorite charity.

Outright gifts of cash: Cash gifts must be immediately useable by the charity to qualify for a charitable deduction of up to 50 percent of your AGI on your Federal 1040 tax return.

There are many more options available, and a financial advisor can help you sort through the complexity of the different strategies. Now go forth, and bring your philanthropic goals to life!

Paula R. Chesser is the founder of the Savvy Women Club, Vice President and Senior Investment Consultant at Robert W. Baird & Co, Member SIPC. Learn more at paulachesser.com.



**5th annual
Mother's Day 5K**

**Sunday, May 8
start time 8 a.m.**

Munroe Falls Metro Park / Lake Area
521 S. River Rd., Munroe Falls

Registration is \$30/person by 5/1/16.

REGISTRATION IS ONLY ONLINE
<http://bit.ly/MD5K2016>

No day-of registration

A fundraiser to support the
Summit Metro Parks Foundation
summitmetroparks.org • 330-865-8065



2016 CVCA SUMMER CAMPS

CVCA's Summer Camps offer opportunities for students to make friends, have fun, and learn new skills in a Christian environment.

**Baseball • Football
Basketball • Soccer
Volleyball • Lacrosse
Tennis • Cheerleading
Hockey • Wrestling
Art • Drama**

Detailed information for each camp can be found at cvcaroyals.org

**REGISTER AT
cvcaroyals.org**

4687 WYOGA LAKE RD | CUYAHOGA FALLS, OH 44224
PHONE 330-929-0575 | FAX 330-929-0156