



# KEYS TO EFFECTIVE GIVING

## Gift Model Overview

*“Linking Vision with Ministry Through Gift Planning”*

**Charitable Gift Annuities (CGAs)** are life income gifts: you transfer assets now, receiving a charitable deduction for a portion of the transfer, and you or a beneficiary receives a fixed income for the rest of your life or a predetermined period of time. Upon the passing of the last surviving beneficiary, the Foundation will use any remaining annuity assets to support the ministry you designated when you established the CGA. Both you and ministries can benefit from a CGA.

### Sample of Charitable Gift Annuity Rates for a Single Life \*\*

Your Age	55	60	65	70	75	80	85	90+
% Rate of Annual Income	5.5	5.7	6.0	6.5	7.1	8.0	9.5	11.3

\*\* These are sample rates that are subject to change

**Endowments** are established with either present gifts or through planned and deferred giving, perhaps through a will or trust. The funds are deposited with the Foundation and each year, a portion of the earnings, as determined by the donor, are distributed in the donor’s name to the ministry or ministries designated by the donor. Typically an endowment might provide that 95% of the income goes directly to the ministry and 5% of the income flows back into the principal of the endowment, thereby growing the endowment over time. The cost is nothing to establish an endowment. There is a small administration fee deducted each year from the endowment.



**Donor-Advised Funds (DAFs)** are irrevocable and unconditional gifts which are placed in a separate fund with the Foundation. Strictly speaking, the donor retains no control over the contributed funds; however, the donor is allowed to make non-binding advisory recommendations for the use of his or her contributions. It is the policy of the Foundation to follow the recommendations of the donor provided such recommendations are consistent with the ministry and values of the Foundation. There are substantial benefits in creating a DAF which may include:

- Reduced income, estate and property taxes.
- Avoidance of capital gains taxes.
- Immediate charitable income tax deduction.
- Capitalizing on the appreciation in value of the property.
- Excellent substitute for a private foundation.
- Accelerating the work of ministry.

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## Charitable Remainder Trusts (CRTs)

are irrevocable trusts that actually provide for and maintain two sets of beneficiaries. The first set are the **income beneficiaries** (you and, if married, a spouse). Income beneficiaries receive an income for your lifetime from the trust. The second set of beneficiaries are the **ministries you name**.

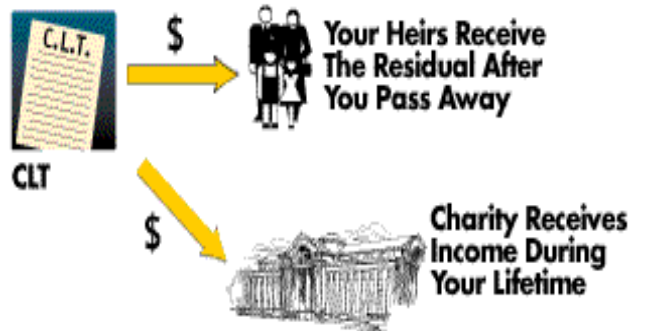


In the past decade, this trust has been steadily gaining in popularity. The substantial benefits for using this trust may include:

- Reduced income and estate taxes.
- Avoidance of capital gains taxes.
- Immediate charitable income tax deduction.
- Increased lifetime income.
- Financial security for self or loved ones.
- Capitalizing on the appreciation in value of the property.
- Accelerating the work of ministry.

## Charitable Lead Trusts (CLTs)

offer current income tax deductions and a reduction of capital gains taxes. With a CLT, charities and ministries are the income beneficiaries, receiving a steady stream of income during the owner's lifetime. At the owner's death, named beneficiaries then receive the CLT's assets.



A Charitable Lead Trust may be a particularly attractive estate planning vehicle for a wealthy individual who wishes to transfer substantial assets to his or her descendants at a significantly reduced gift or estate tax cost, while at the same time funding a charity or ministry.

## Request an Illustration

Please feel free to contact our office for a current illustration based on your individual age and gift or visit our web site for additional information.

For more detailed information about any one of these gift models, please refer to the individual **Keys To Effective Giving** gift sheets available from your Foundation representative.

*This information reflects, in very general terms, how a gift might affect specified tax liabilities. This is not an effort to reflect your current tax picture or suggest that a particular gift will have the indicated result in your case; only your lawyer and accountant can do that. We suggest you consult your professionals before acting upon the concepts reflected here.*