

# DECIDING TO GIVE

## A guide to personalizing your philanthropy



People give for a number of reasons, all very personal to them. What motivates you? Perhaps you feel strongly about a cause. Perhaps an organization has touched your life or the lives of loved ones. Maybe you want to create a legacy and set an example that inspires others to give. Or your giving is a way to get your family together and pass along your values to younger generations.

For as many motivations as there are to give, there are ways of giving. The key to having a rewarding giving experience is finding the best fit—for your charitable priorities, financial goals and personal preferences. This checklist is designed to help you and your professional advisor determine the custom giving solution that's right for you.

Name \_\_\_\_\_ Date \_\_\_\_\_

### YOUR CHARITABLE PRIORITIES

1. How would you like to **focus** your giving?
  - Support organizations I know and trust (e.g., Red Cross or American Cancer Society)
  - Support causes that matter to me (e.g., adult literacy or performing arts)
  - Effect social change in a field of interest (e.g., education or environment)
  
2. What sort of **impact** would you like to make?  
(rate each on a scale of 1-5, 1 = lower, 5 = higher priority)
  - I want to give back to the community that has contributed to my success
  - I want to improve the quality of life in this community
  - I want to share my good fortune with others who are less fortunate
  - I want to construct buildings that will endure for generations
  - I want to help address long-term, systemic social issues
  - I want to meet specific, current, critical needs
  - I want to help the largest number of people possible
  - I want to make a significant difference in the lives of a few
  - Other: \_\_\_\_\_

3. Which **causes or organizations** do you hope to advance with your giving?  
(rate each on a scale of 1-5, 1 = lower, 5 = higher priority)
- Alma mater: \_\_\_\_\_
  - Faith organization: \_\_\_\_\_
  - Favorite charity: \_\_\_\_\_
  - Arts and culture
  - Community development
  - Education
  - Environment
  - Health
  - Human service
  - Other: \_\_\_\_\_

#### TIMING YOUR GIFT

4. Major **life events** often drive changes to an estate plan and prompt charitable gifts. Which of the following transitions might be relevant?
- Selling a business
  - Change in marital status for you or your heirs
  - Retirement or estate planning
  - Receiving an inheritance
  - Birth or coming of age of children or grandchildren
  - Death of a loved one
5. How would you like to **time** your gifts from a personal perspective?
- Give all gifts during lifetime
  - Give some lifetime gifts now; some after death
  - Give all gifts after death
6. How long should any fund you might establish **last**? Your community foundation offers endowment, where the principal is never spent and grows over time, and grants are made from the earnings—forever.
- Endow my entire gift
  - Endow some of my gift, make a portion available for immediate distribution
  - Distribute all of my gift right away
  - Distribute all of my gift during an established period of time

## YOUR FINANCIAL GOALS

7. Which kind of **assets** are you interested in giving? The community foundation and your professional advisor can help you assess the financial and tax implications of each.
- Cash
  - Retirement savings
  - Appreciated securities
  - Closely held stock and business assets
  - Real estate
  - Life insurance
  - Fine art
  - Other asset: \_\_\_\_\_
8. Would you prefer to give in a way that provides you or a loved one a stream of **income** for life? If so, what type of income would you like your estate to provide? Your professional advisor can help you select a giving vehicle that works for your time horizon, risk tolerance and income requirements.
- Predictable lifetime income for you and your spouse
  - Predictable lifetime income for you or your spouse
  - Maximum lifetime income for you and your spouse
  - Maximum lifetime income for you or your spouse
  - Provide income to a charity during your lifetime

## YOUR DESIRED GIVING EXPERIENCE

9. What level of **recognition** do you prefer?
- Lasting recognition (name on a fund, foundation, building or permanent structure)
  - Public recognition (name in public announcement or media coverage)
  - Simple recognition (personal thank you and name listed in annual report or newsletter)
  - Anonymity
10. How much **involvement** do you want in selecting recipients of the grants from your gift once it is made?
- No personal involvement after initial intent is established
  - Personal involvement for a period of time
  - Lifetime personal involvement
  - Future personal involvement through children
  - Future personal involvement through grandchildren
11. How much **control** do you wish to have over the assets you give to charity?

*less control*

**Unrestricted Fund:**  
Broad gift for community; community foundation awards grants

**Field of Interest Fund:**  
Gift to a specific cause; community foundation awards grants

**Designated Gift/Fund:**  
Gift to benefit a specific organization

**Donor Advised Fund:**  
Gift fund for donor-recommended grantmaking

**Supporting Organization:**  
Some benefits of private foundation with community foundation support

*more control*

**Private Foundation:**  
Independent board awards grants

## RESOURCES AVAILABLE TO YOU

12. Would you like more **information** in any of the following areas?
- Establishing a philanthropic plan
  - Understanding community needs and opportunities
  - Gaining familiarity with the local nonprofit community addressing these needs
  - Evaluating charitable giving options
  - Starting or operating a private foundation
  - Starting a Donor Advised Fund or Supporting Organization at a community foundation
  - Measuring impact of charitable gifts
13. What types of **services** might you find helpful?
- Local community needs assessment
  - Research into national or global issues
  - Due diligence on selected organizations
  - Planned giving assistance
  - Gift origination assistance
  - Grant administration
  - Investment management
  - Facilitation of family meetings and charitable activities
  - Accounting
  - Tax reporting

## COMPARING GIVING OPTIONS

Major options for giving entail varying costs and benefits. Your professional advisor can help you review options for custom giving solutions—based on your timing preferences, your giving focus and other variables.

	Direct Gift	Donor Advised Fund	Supporting Organization	Private Foundation
<i>Items to consider</i>				
<b>Involvement and control</b>	You give a gift directly to a public charity. Control is limited to initial gift decision.	You give to a public charity—e.g., a community foundation. You recommend grants to qualified nonprofit groups, subject to approval by the public charity's board of directors.	You work together with a public charity—e.g., a community foundation—to appoint board. This board typically controls investments and grantmaking.	You appoint a board, which controls investments and grantmaking.
<b>Tax status</b>	Public charity	Public charity	Public charity	Private charity
<b>Tax deductions</b>	Up to 50% on cash, up to 30% on appreciated stock, up to 30% on real estate and closely held stock.	Up to 50% on cash, up to 30% on appreciated stock, up to 30% on real estate and closely held stock.	Up to 50% on cash, up to 30% on appreciated stock, up to 30% on real estate and closely held stock.	Up to 30% on cash, up to 20% on appreciated stock, up to 20% on real estate and closely held stock.
<b>Grantmaking support</b>	Your decision is based on your own research and intuition.	In the case of a community foundation gift, professional staff is available to help identify and assess grantees, provide input on community needs and verify nonprofit status.	In the case of a community foundation gift, professional staff is available to help identify and assess grantees, provide input on community needs and verify nonprofit status.	You must arrange and support your own grantmaking and monitoring structure. Some community foundations offer grantmaking services to private foundations.
<b>Startup costs</b>	None	N/A	Costs kept to a minimum through collaboration with community foundation.	Several thousand dollars for legal and accounting expenses and filing fees.
<b>Effective gift size</b>	Any gift size is appropriate	Thousands of dollars	Typically millions of dollars	Typically millions of dollars
<b>Administrative requirements</b>	N/A	Donor has no administration requirements. Administration is pooled and an annual fee is charged. Community foundation handles reporting.	Costs are kept to a minimum through collaboration with community foundation. Annual 990 tax form must be filed.	Several thousand dollars for legal and accounting expenses and filing fees. Annual 990 tax form must be filed.