

TOOLS FOR CHARITABLE GIVING

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01

SPLIT INTEREST CHARITABLE FUND

Consider making a lasting impact by giving to charity while also receiving a lifetime income through a special tool called a split interest charitable trust.

Here's how it works: You transfer an asset, like stocks or land, into a Charitable Remainder Trust (CRT). This trust splits into two parts – one provides you or a chosen person with annual income, and the remaining value, goes to a charity when the trust ends. You also get a tax deduction when you fund the trust. This is beneficial for turning non-income producing assets into ones that generate income. The amount you receive annually depends on the beneficiaries' age and the trust's value and type.

02

LIFE INSURANCE

Ever thought about using life insurance as a charitable gift? It's simpler than you might think. The most common method is naming a nonprofit organization as the beneficiary of a life insurance policy. Alternatively, you can directly gift a fully paid-up policy to the organization.

RETIREMENT PLANS

Anyone can name a nonprofit organization as the beneficiary of all or a portion of their IRA, 401(k), or other retirement accounts.

03

CHARITABLE GIFT ANNUITY

Another option for giving to charity while securing an income is a Charitable Gift Annuity (CGA), provided directly by charities. Similar to a Charitable Remainder Trust (CRT), it enables you to support a cause and receive income. However, in a CGA, it's a contractual agreement where the charity guarantees to pay you, the income beneficiary. Unlike a CRT, the income isn't tied to trust assets but is assured by the charity itself.



04

ESTABLISHING A PRIVATE FOUNDATION

Private foundations, or family foundations, are tax-exempt entities formed as nonprofit corporations or charitable trusts. Funded by individuals, families, or groups under IRS code 501(c)3, they enjoy tax incentives and must annually distribute 5 percent of assets to charities. To establish one, create the foundation, appoint a board of trustees (often including family members), and transfer assets. The board manages daily operations, selecting charities for grants. Involving younger family members in meetings prepares them for future roles, providing a meaningful philanthropic experience. Family foundations aren't exclusive to the wealthy; many exist locally, offering a powerful way to contribute and create a lasting legacy. For personalized advice, consult a philanthropic adviser.

05

JACKIE O. CHARITABLE LEAD TRUST

Jackie Onassis maintained her wealth with a smart strategy: the "Jackie O. Trust." Lasting 10 years, the trust annually donated to charity, providing tax benefits to Jackie. During this period, family couldn't access the assets. At the end, remaining value went to chosen beneficiaries estate-tax free.

While this ties up assets for up to 20 years, it offers long-term benefits. Prudent asset management is crucial, but with care, Charitable Lead Trusts, like Jackie's, effectively transfer wealth to future generations, benefiting charities with substantial, predictable annual cash flows.

06

GIFTING YOUR HOME

Ever considered donating your home? It's not just a philanthropic gesture—it brings immediate tax benefits and possible cash. If moving, buying another property, or transitioning to a vacation home, outright donation is an option. Alternatively, a Bargain Sale—selling your home to a charity below market value—benefits both you and the charity, providing proceeds for your future living expenses. Bequeathing your home in your will lets you retain ownership until passing, with the flexibility to change beneficiaries. A Retained Life Estate involves transferring the home title to a charity while allowing you to live there for life, gaining an immediate tax deduction and living rent-free.