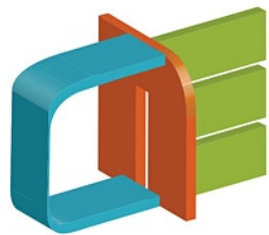


Unlocking Planned Gifts: How CFMC Can Help Your Nonprofit



**center for
nonprofit excellence**

COMMUNITY FOUNDATION FOR MONTEREY COUNTY

Today's Topics

- Why Planned Gifts?
- The CFMC Approach
- Common Types of Planned Gifts
- Complex Gifts
- Gift Illustrations
- Stewardship & Support
- Marketing Strategies
- Q&A

Temperature Check

- Take the poll and let us know what your organization is currently doing with planned giving!

Why Planned Gifts

- 90/10 Rule
- A \$70 **Trillion** Windfall
- Not a “rich” thing

The CFMC Approach

- DAFs and special funds
- CGAs, CRTs
- Complex asset gifts
- Flexible planning, resources and collaboration

Complex Gifts

- Stock
- Real Estate
- Mineral/Oil Rights
- LLCs/S Corps
- Privately or Closely Held Stock
- Cryptocurrency

PLANNED GIVING OVERVIEW

YOUR GIFT	YOUR GOAL	HOW IT WORKS	YOUR BENEFITS
Bequest	<ul style="list-style-type: none"> Maintain control of your assets during life Make a gift to charity at your death 	You designate the CFMC as the beneficiary of your asset by will, trust or other instrument to establish a fund to support the causes you care about.	<ul style="list-style-type: none"> Estate tax charitable deduction Life use and ownership of your property
Charitable Gift Annuity (CGA)	<ul style="list-style-type: none"> Receive fixed income payments for life Avoid capital gains tax on the sale of your appreciated assets Enjoy the benefit of tax savings from a charitable deduction 	You transfer cash or appreciated assets to the CFMC in exchange for fixed income payments (with rates based on your age) for the rest of your life.	<ul style="list-style-type: none"> Charitable tax deduction Fixed income payments for life Reduced capital gains tax A portion of your payment is tax free
Charitable Remainder Trust (CRT)	<ul style="list-style-type: none"> Transfer your appreciated property and assets without paying capital gains tax Enjoy regular income for life or a term of years Receive the benefit of tax savings from a charitable deduction 	You transfer cash, appreciated property or assets to fund a charitable trust. The trust sells your property tax free and provides you with income for life or a term of years.	<ul style="list-style-type: none"> Charitable tax deduction Income for life or a term of years Possible income growth over time Avoidance of capital gains tax

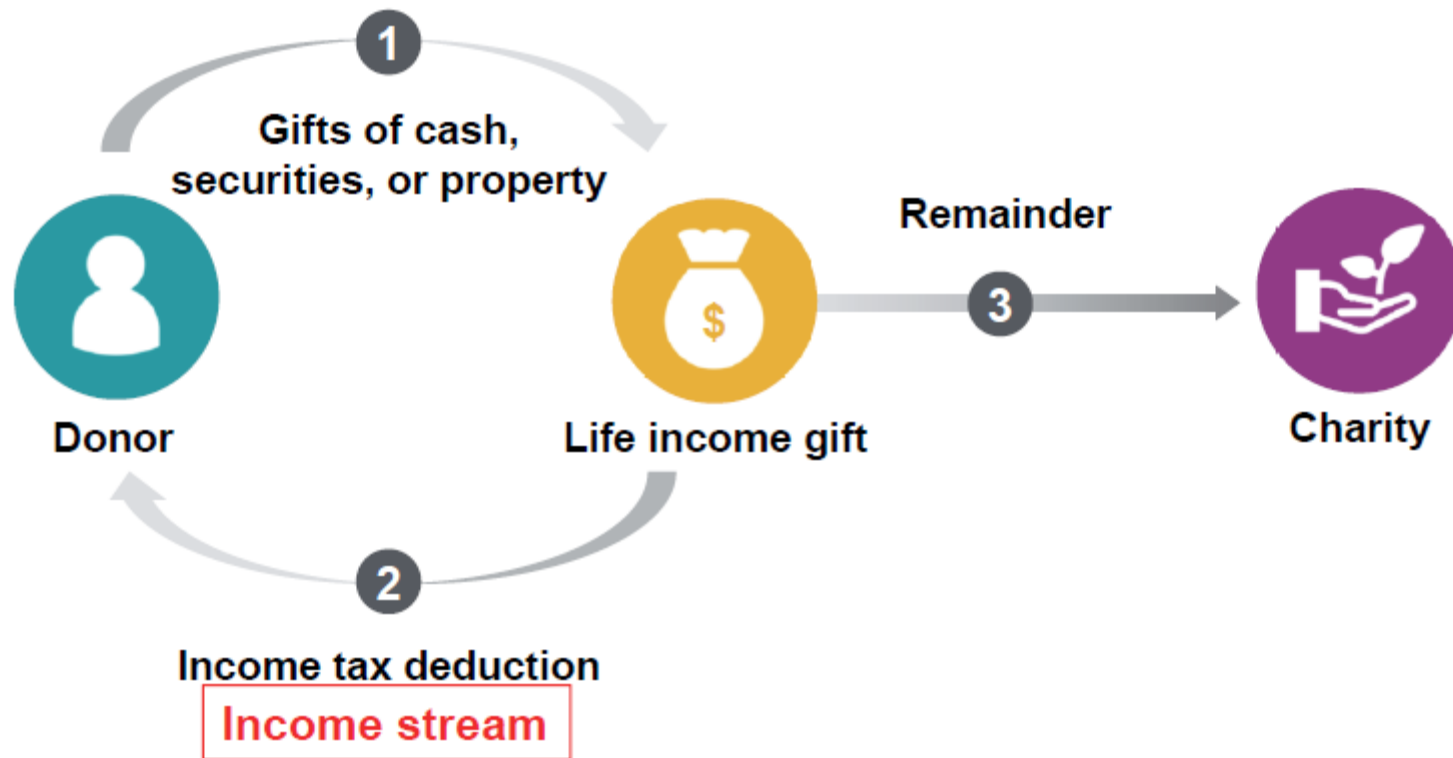


Gift Illustrations: Life Income Gifts

**Charitable
Gift
Annuities**

**Charitable
Remainder
Trusts**

Life Income Gift Model



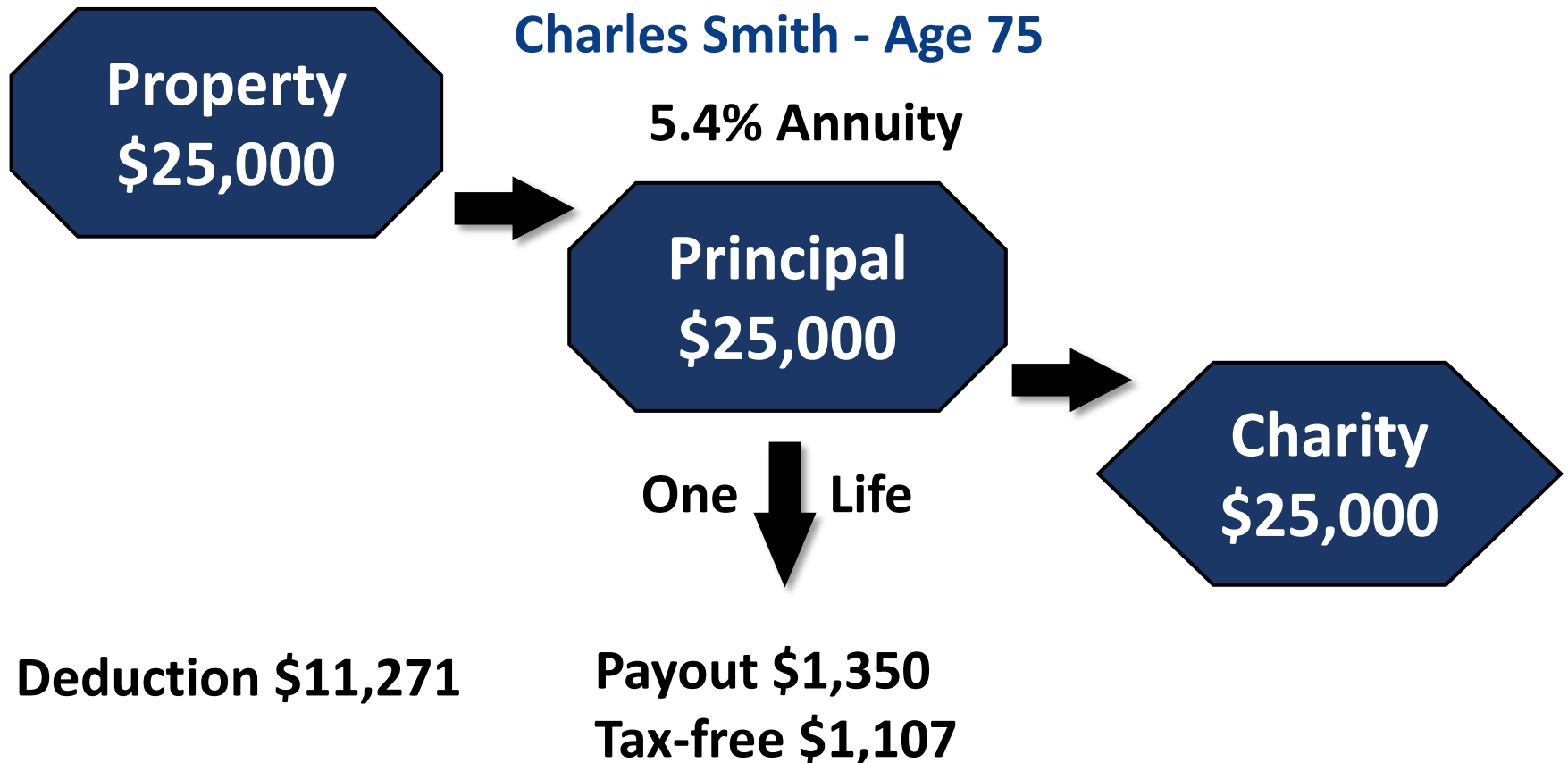
CGAs and CRTs are life income gifts that provide donors with an income stream, tax benefits and a benefit to the charity of their choice.

Example Donor Ages & Rates

Charitable Gift Annuities

Age	Rate of Return Updated July 2020
65	4.2%
70	4.7%
75	5.4%
80	6.5%
85	7.6%
90+	8.6%

Example Charitable Gift Annuity



Charitable Remainder Trusts

How it works:

- Give cash, appreciated stock, closely held stock, real estate or other assets.
- Donors avoid capital gains tax and receive a charitable income tax deduction.
- Donors receive income during their lifetime, a portion of which may be tax free. The minimum annual percentage payout is 5%.
- The “R” in CRT is remainder. When the CRT is established donors decide how the remainder will benefit the causes of their choice.

Charitable Remainder Trusts

Annuity
(CRAT)

Unitrust
(CRUT)

Example CRUT

Monica Garcia - Age 65

5% Rate

Property
\$200,000



Growth
Average 7.6%



Charity
\$315,847

One ↓ Life

Deduction \$89,392

Payout Year 1 - \$10,000
Estimated Lifetime
Payments - \$326,698

CGA v CRUT

Gift Annuity (CGA)

- Lifetime income
- Diversify tax-free
- Income tax deduction
- Ultimate gift to charity

Unitrust (CRUT)

- Lifetime income
- Diversify tax-free
- Income tax deduction
- Ultimate gift to charity
- Potential for growing income
- Illiquid funding asset
- More than two beneficiaries
- Multiple remaindermen
- Future additions
- Payouts for a term of years

Real Life Examples

- CGA
- CRT
- Bequest
- Complex Gift

Stewardship and Support

- Legacy Society
- Nonprofit Resources, Training
 - <https://www.cfmco.org/nonprofits/center-for-nonprofit-excellence/>
- Agency Funds
 - <https://www.cfmco.org/nonprofits/agency-funds/>
- Custom Gift Models, Planned Giving information
 - legacy.cfmco.org

Simple Marketing Strategies

- Add the checkbox on everything!
- Bequest boilerplate language (we can help you draft)
- Gift Planning Guide and a suite of one-sheets describing all types of gift options (feel free to use ours!)

How Can We Help?

- What do you need most to help you do more with planned giving?
- Q&A

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