

# What to Discuss When Your Client Wants to Make Charitable Gifts

Presented by:  
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# Overview

- What is planned giving and what are its benefits?
- What tax benefits are available to donors?
- Who to give to?
- What are the best assets to give to charity?
- What are the best methods for making charitable gifts?
- What else should a person with charitable intent be thinking about?

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# Planned Giving Defined

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**There's charitable giving**

**Then there's planned giving**

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# Why Planned Giving?

- Benefits to donor
  - ▣ Tax
  - ▣ Legacy
  - ▣ Targeted (maybe)
- Benefits to recipient
  - ▣ Support of mission
  - ▣ Long-term benefit
  - ▣ Sustained participation
  - ▣ Increased visibility

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# What Tax Benefits?

- Income tax
- Gift tax
- Estate tax

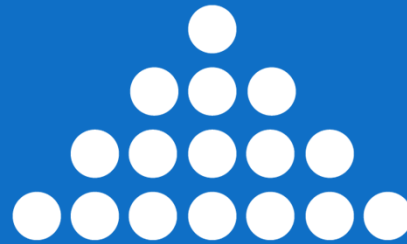
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**Planned giving is:**  
A coordinated effort made of  
unique and granular choices.



# Who to Give to?

- 501(c)(3) organization
  - ▣ 50% charity
  - ▣ Private foundation
  - ▣ Donor advised fund
- Trusts
  - ▣ Nonexempt charitable trusts
  - ▣ Split-interest trusts

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# What Can I give?



- Cash
  - ▣ Generally, not a big part of planned giving
  - ▣ Minimal leverage
  - ▣ Bunching may help

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# What Can I give?



- Appreciated Property
  - ▣ Stock, real estate, etc.
  - ▣ Eliminate tax on capital gain
- Contributing an asset directly to charity can eliminate capital gains tax.

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# What Can I give?



- Retirement plan assets
  - ▣ Lifetime gifts
    - "Qualified Charitable Distributions"
    - Expanded tax savings because distributions not included in income
    - Must be 70 ½ (SECURE Act didn't raise to 72)
    - BUT: cannot make contribution to retirement account and QCD in same year
    - Max gift of \$100k
  - ▣ As part of estate plan
    - Income and estate tax savings potential
    - Savings on administrative fees

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# What Can I Give?



- Life Insurance
  - ▣ Do you need the insurance?
  - ▣ Small company policies
  - ▣ Old ILITs

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# What not to give



- Property the charity doesn't have time to deal with
  - ▣ Rental property
  - ▣ Closely-held business interests
  - ▣ Property with homestead or other rights blocking liquidation/enjoyment
  - ▣ Undivided interests
- "Bad" assets cannot be put towards charitable purposes
  - ▣ Involve administrative work by charity
  - ▣ Restricted

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Planned giving means doing what's  
right for you AND the charity!

# Special Considerations



How



Restrictions



Efficiency



Timing



Charitable

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# Special Considerations



- How to give?
  - ▣ During life or at death?
  - ▣ Charitable trust?
  - ▣ Direct from retirement account?
  - ▣ Corporate matching
  - ▣ Major disaster beneficiary

# Special Considerations



- Restrictions?
  - ▣ Be careful
  - ▣ Restrictions = complications
  - ▣ Generally want unrestricted gifts

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# Special Considerations



- What assets are most "efficient"
  - ▣ Appreciated assets
  - ▣ Retirement accounts
  - ▣ Life insurance

# Special Considerations



- Timing
  - ▣ Cashflow considerations
  - ▣ Bunching

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# Special Considerations



- Special needs of the Charity
  - ▣ Special opportunity to make a difference
  - ▣ Corporate sponsorship
  - ▣ Noneconomic donations

## Takeaways:

- 1) Cash gifts are not planned giving (usually)
- 2) Avoid restricted gifts
- 3) Don't give "bad" assets

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# Questions?

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