

	DESCRIPTION	ADVANTAGES
<b>Direct Donation</b>	Cash or property donated to a public charity or community foundation.	<ul style="list-style-type: none"> <li>• Immediate benefit to charity</li> <li>• No associated costs</li> <li>• Current income tax deduction normally allowed</li> </ul>
<b>Charitable Bequest</b>	As a part of a will, a charitable bequest specifies a particular asset, or fixed dollar amount, or percentage of estate be given to a charitable organization upon donor's death.	<ul style="list-style-type: none"> <li>• Revocable at any time</li> <li>• Gives donors access to assets until death</li> <li>• Unlimited tax deduction for the estate</li> </ul>
<b>Donor-Advised Fund</b>	Public charity that pools donations with other donors' gifts and invests them; fund makes grants to charitable recipients upon recommendation of donor.	<ul style="list-style-type: none"> <li>• Contribution usually fully deductible each year</li> <li>• Account can be named</li> <li>• Flexible giving in future years</li> <li>• Can give anonymously</li> <li>• Fees and expenses are low</li> <li>• Consolidated charitable giving</li> <li>• Can establish legacy with successors to account</li> </ul>
<b>Charitable Gift Annuity</b>	In exchange for assets, a charity guarantees to pay a specified life income payment to beneficiaries. The charity receives the remainder at death of the beneficiaries. No additional gifts are allowed.	<ul style="list-style-type: none"> <li>• Fixed amount of income provided each year for life</li> <li>• Part of income is a tax-free return of principal</li> <li>• The charity receives the remaining assets at income beneficiary's death</li> <li>• A portion of contribution deductible in current year</li> </ul>
<b>Charitable Remainder Annuity Trust</b>	Donor and/or other beneficiaries receive payments of a fixed amount determined when the trust is established. No additional gifts to the trust are allowed.	<ul style="list-style-type: none"> <li>• Portion of contribution deductible in current year</li> <li>• Annual income for donor or other non-charitable beneficiary</li> <li>• The charity receives remaining assets at income beneficiary death or trust termination</li> <li>• Fixed income each year</li> <li>• Can be for lifetime or for term of years not to exceed 20 years</li> <li>• Trust is normally tax-exempt</li> </ul>
<b>Charitable Remainder Unitrust</b>	Donor and/or other beneficiaries receive a fixed percentage of the value of the trust's assets valued annually. The charity receives remainder of trust at income beneficiary's death or trust termination.	<ul style="list-style-type: none"> <li>• A portion of contribution deductible in current year</li> <li>• Income for the donor or other non-charitable beneficiary</li> <li>• Charity receives remaining assets at income beneficiary's death or trust termination</li> <li>• Trust is normally tax-exempt</li> <li>• Can be for lifetime or term of years, not to exceed 20 years</li> </ul>
<b>Charitable Lead Trust</b>	Assets are placed in trust, charity receives payment, property is eventually returned to the donor, donor's descendants or other non-charitable beneficiary.	<ul style="list-style-type: none"> <li>• Assets may be passed on to heirs</li> <li>• Generates income for charity during donor's lifetime or over a specified number of years</li> <li>• Can provide gift, estate and generation-skipping tax advantages</li> </ul>

## DISADVANTAGES

## GENERAL TAX RULES

## DONOR INCOME

Direct Donation	<ul style="list-style-type: none"> <li>• Donor needs to research and choose specific charities before year-end</li> <li>• Deduction is subject to AGI restrictions</li> <li>• Some charities are not equipped to accept securities</li> <li>• Donor receives no income from assets</li> </ul>	<ul style="list-style-type: none"> <li>• Income tax deduction for amount of cash donation up to 50% of AGI</li> <li>• Generally, deduction for full market value of long-term property with no capital gains tax paid, up to 30% of AGI</li> <li>• Estate tax liability reduced</li> </ul>	No
Charitable Bequest	<ul style="list-style-type: none"> <li>• No immediate tax benefit</li> <li>• Bequest must be paid from estate</li> <li>• Probate adds costs, delays, and complexity</li> </ul>	<ul style="list-style-type: none"> <li>• Estate tax deduction for value of donation</li> </ul>	Yes, until death when assets are given to charity
Donor-Advised Fund	<ul style="list-style-type: none"> <li>• Deduction is subject to Adjusted Gross Income (AGI) restrictions</li> <li>• Final authority to make grants rests with Foundation Trustees</li> <li>• Donor receives no income from assets</li> </ul>	<ul style="list-style-type: none"> <li>• Income tax deduction for amount of cash donation limited up to 50% of AGI</li> <li>• Generally, deduction for full market value of long-term property with no capital gains tax paid, limited up to 30% of AGI</li> <li>• Estate tax liability reduced</li> <li>• Avoid capital gains tax for gifts of long-term appreciated assets</li> </ul>	No
Charitable Gift Annuity	<ul style="list-style-type: none"> <li>• Charity liability for annuity: If the charity has financial difficulties, the income beneficiary may not receive income</li> <li>• Deduction is subject to AGI restrictions</li> <li>• Transfer of long-term appreciated assets gives rise to tax liability to donor</li> </ul>	<ul style="list-style-type: none"> <li>• Current income tax deduction for actuarially determined value of gift ultimately passing to charity</li> <li>• Estate tax liability reduced</li> <li>• Reduce capital gains tax liability for gifts of long-term appreciated assets</li> <li>• Annuity principal is returned to donor tax-free as portion of each annuity payment over term of the annuity</li> </ul>	Yes, fixed
Charitable Remainder Annuity Trust	<ul style="list-style-type: none"> <li>• Deduction is subject to AGI* restrictions</li> <li>• Income-to-income benefits are generally taxable</li> <li>• Must have individual or institutional trustees</li> <li>• Cannot accept additional donations</li> <li>• More complex to establish and fees are generally higher than some alternatives</li> </ul>	<ul style="list-style-type: none"> <li>• Current income tax deduction for actuarially determined value of gift ultimately passing on to charity</li> <li>• Estate tax liability reduced</li> <li>• Avoid capital gains tax for gifts of long-term appreciated capital assets</li> </ul>	Yes, fixed
Charitable Remainder Unitrust	<ul style="list-style-type: none"> <li>• Deduction is subject to AGI restrictions</li> <li>• Income-to-income benefits are generally taxable</li> <li>• More complex to establish and fees are generally higher than some alternatives</li> <li>• Must have individual or institutional trustees</li> <li>• Some CRTs cannot accept future donations</li> </ul>	<ul style="list-style-type: none"> <li>• Current income tax deduction for actuarially determined value of gift ultimately passing on to charity</li> <li>• Estate tax liability reduced</li> <li>• Avoid capital gains tax for gifts of long-term appreciated capital assets</li> </ul>	Yes, variable
Charitable Lead Trust	<ul style="list-style-type: none"> <li>• Tax treatment is complex</li> <li>• More complex to establish and fees are generally higher than some alternatives</li> </ul>	<ul style="list-style-type: none"> <li>• Income tax benefits vary depending on type of trust</li> <li>• Estate or gift tax liability may be reduced</li> <li>• Avoid capital gains tax for gifts of long-term appreciated capital assets</li> </ul>	No, original asset reverts back to remainder beneficiary, can be donor

\*AGI = Adjusted Gross Income