

PERSONAL GUIDE TO GIVING

PHILANTHROPY IS OUR INDIVIDUAL
RESPONSE TO HUMAN NEEDS;
AN OPPORTUNITY TO GIVE IS AN
OPPORTUNITY TO BE INVOLVED.

BY GIVING TO CHARITABLE AND
PHILANTHROPIC ORGANIZATIONS
WE EXERCISE OUR SUPPORT FOR
THE GOALS, THE PEOPLE AND THE
PURPOSES WE BELIEVE IN.

*“We make a living by what we get,
but we make a life by what we give.”*

-Winston Churchill

Why People Give

There are many motivations for giving one's money and other resources for charitable purposes, a few of the most common are:

Helping others gives us a great feeling of satisfaction

We have a desire make a significant difference and to leave a lasting imprint on society.

We wish to return something to the communities in which we live.

Giving is one way to express our religious faith.

We want to get involved and connect with others who share our passions and interests.

By giving we can memorialize a friend or loved one.

The tax advantages can be considerable.

Whatever your motivation, this information is designed to guide you to find the giving choice that is right for you.

Ways To Give

There is no single “right” way to give. Over the years a wide range of philanthropic vehicles have been created to suit the needs of our diverse population.

Following is a brief summary of the key points of the most common vehicles for giving. This information will give you a better understanding of your options when you begin to establish your personal giving plan:

1. Make a Direct Gift to An Established Charity.

Direct gifts provide immediate financial support to educational institutions, religious organizations, and many other nonprofits working to meet community needs in such areas as health care, human services, the arts, the environment, civic improvement and others.

Always make sure that the organization you give to has tax-exempt status from the Internal Revenue Service so that you can claim the appropriate federal tax deduction for your gift. The tax deduction for gifts of cash to charity can be up to 50 percent of your adjusted gross income for the year. It is also possible to give gifts of property, including real estate, mutual funds, stocks and other securities to your chosen charity or charities. These gifts allow different deductions for tax purposes. Check with your tax advisor for advice.

Federated funds, like the United Way and the Combined Federal Campaign participate in annual workplace giving campaigns that raise millions of dollars which are distributed to local, state and national nonprofit organizations. Check with your employer for details about workplace giving options.

In 2000, community foundations in the United States gave an estimated \$2.2 billion to communities across the country.

Foundation Yearbook, The Foundation Center

Next Step: For information on local charitable organizations consult with the Nevada Community Foundation (www.nevadacf.org) or United Way of Southern Nevada (www.uwaysn.org). These organizations are familiar with charitable activities in the area and can advise you as to specific nonprofits that match your particular interests.

2. Give To or Through a Community Foundation

Community foundations are local charitable entities that administer a number of endowed funds for local purposes. Because community foundations are geographically focused, they often become expert in solving community or regional problems and improving the lives of people in their area through the funds they administer.

Community foundations are growing in popularity among donors and nonprofits as they offer some distinct advantages and options when targeting giving for community needs. There are several ways to make a gift to a community foundation:

Unrestricted Gift - The income from your gift is used where the foundation's board deems it is most needed.

Field of Interest Fund - You support charitable organizations in a specific field of your choice, such as the arts, education or the environment.

Designated Fund - You designate one or more specific charitable organizations to benefit from your gift.

Donor Advised Fund - You name the fund, establish a broad purpose for the fund, or designate a specific charitable organization, such as the local library, to benefit. Many individuals, families and even corporations are creating donor-advised funds.

The community foundation will charge a small annual fee for administering your fund but it is generally easier and less expensive than creating and maintaining a private foundation.

Next Step: Consult the Nevada Community Foundation about your charitable interests. The Nevada Community Foundation has been a driving force for philanthropy in Southern Nevada since 1988. In partnership with its many donors, the Nevada Community Foundation channels much-needed resources to a broad and diverse range of community organizations.

3. Explore Your Planned Giving Options

Planned giving makes it possible for you to give to the nonprofit of your choice while meeting your current income needs and providing for your heirs.

A planned gift enables you to continue to help people in need or promote a favorite cause, either in the form of money, property, an investment or percentage of an estate. Planned gifts can be used to benefit a specific nonprofit organization, establish a fund at a community foundation, create a supporting organization, or start a private foundation.

There are several options in planned giving, all of which should be discussed with a professional advisor who can fully explain the impact of each choice and assist you in making the best decision.

There are planned giving options for donors of all income levels:

A **charitable remainder trust** lets you take a charitable deduction for your gift to the trust in the year in which the trust is formed. You then receive income from the trust for life, after which the assets pass to the philanthropic fund or charity you have designated.

All money that is not bequeathed in a will ends up as a donation to the United States government — 75% of Americans do not have wills.

Kelly Bolton, Merrill Lynch

A **charitable lead trust** provides for a regular, fixed amount to be paid to a philanthropic fund or charities of your choosing for a specific number of years. At the end of the specified period, the remainder of the trust passes to your designated heirs.

With a **charitable gift annuity**, a donor makes an irrevocable gift to a charity in exchange for fixed payments to the donor during his or her lifetime. The amount of the payments is determined by a contract between the charity and the donor.

***Next Step:** Speak with a financial advisor or legal advisor about your planned giving options. For general information about planned giving, visit these websites: Nevada Community Foundation (www.nevadacf.org), National Committee on Planned Giving (www.ncpfg.org); Leave a Legacy (www.leavealegacy.org).*

4. Create a Private or Family Foundation

Private foundations are generally founded by an individual, a family, or a group of individuals and organized as nonprofit corporations (giving the foundation the same tax-exempt status as a charitable organization) or charitable trusts. You can appoint yourself, other family members or friends to the foundation's governing board. The board is charged with fiscal oversight and allocating the foundation's funds.

Private foundations can vary greatly in size and levels of involvement.

Since it is a charitable organization, a private foundation is exempt from federal income tax on its income, and your gifts to it afford you certain tax advantages.

With a private foundation, the funds continue to provide charitable capital as long as the foundation exists. This

allows foundations to provide for the long-term needs of the organization and the issues you want to support. By making endowed gifts, whereby the principal gift generates annual revenue, the donor's influence can continue to make an impact for generations to come.

***Next Step:** Contact the Council on Foundations (www.cof.org), the National Center for Family Philanthropy (www.ncfp.org), or Nevada Community Foundation (www.nevadacf.org) to obtain more information and publications that will help you get started. None of these organizations are a substitute for qualified legal advice but may provide additional resources and more in-depth information.*

5. Establish or Join a Giving Circle

A giving circle is a group of individuals who contribute equally to a pooled fund; invest the money; and participate in decisions about how to distribute these funds to philanthropic organizations or causes.

With the collective gifts of a giving circle, the members can experience the benefits of being a major donor because the grants made are usually large enough to give the members the power to designate the use of the gift.

Your level of involvement in a giving circle can be very flexible. You can choose to sit on a committee, take on a leadership role, or simply serve as a general member.

The pooled funds may be held at a public foundation in the form of a donor-advised fund, for example, at a local bank, or by some other nonprofit or commercial entity that will invest the funds and enable them to earn income.

***Next Step:** A "Giving Circle Starter Kit" is available from the Forum of Regional Associations of Grant Makers (www.givingforum.org).*

*More than 80% of the money raised by charities
in this country comes from individuals.*

-BBB Wise Giving Alliance

6. Develop a Business Giving Program

A good giving program can help support your corporate mission while enhancing your bottom line.

Whether you are the owner of your own small business or an officer of a corporation, there are many vehicles for charitable giving available to you.

Many businesses establish an **annual giving program** to make grants, funded as part of each year's operating budget, for the company. Other corporate leaders may choose to take the next step by creating a **corporate foundation** as an independent tax-exempt private foundation or creating a fund at a community foundation. The corporate foundation is subject to the same rules and regulations applicable to other private foundations.

For some companies, the practice of simply contributing money to good causes has grown into giving programs that tie donations of time, money and gifts in kind to defined business goals and desired benefits.

The Business Guide to Giving provides step by step information for companies on how to establish a meaningful business giving program.

***Next Step:** For businesses located in Nevada, in-depth information about the many benefits of establishing an organized program of business giving can be obtained through Nevada Gives - www.nevadagives.org.*

7. Volunteer – Share Your Skills

In addition to giving dollars, one of the most important ways to help nonprofit organizations in your community is to give of your time and your talent. Nonprofit organizations are in great need of capable, committed volunteers and volunteering is a wonderful way to learn more about the organizations that you are considering as the recipients of your other donations.

***Next Step:** Contact the Volunteer Center of Southern Nevada (www.volunteercentersn.org) or United Way of Southern Nevada (www.uwaysn.org) to learn more about nonprofit organizations in need and volunteer opportunities in the community.*

Private and community foundation giving has more than doubled since 1995.

Foundation Yearbook, The Foundation Center

What To Give

Charitable giving comes in many forms – all of them beneficial to society. The key is to give in a way that is most consistent with your personal values and passions.

With the variety of giving options available, your contribution may consist of almost any type of property. The following list provides some of the most common types of assets that you can donate to charity. Consider which of these assets you might want to use as you develop your giving plan. Consult a professional advisor for specific details and tax implications.

- Cash and cash equivalents
- Publicly traded securities
- Closely held securities
- Life insurance
- Real estate
- Personal property
- Retirement assets
- In-kind gifts and pro bono services

Planning Your Giving

To better determine how you would like to structure your giving, consider the following questions:

- Why are you interested in charitable giving?
- What would you like to accomplish with your giving?
- How much money do you want to commit to your philanthropy during your lifetime and after?
- Do you want to involve others in your giving?
- Do you need income from your financial assets now? What are these needs?
- Would you like your charitable giving to be part of your retirement planning?
- How have you given to charity in the past?
- Are there time sensitive tax issues to be considered?
- How involved in your giving would you like to be?

Discuss your answers these questions with your financial advisor. They can provide information on the many giving options available to you and how these options will work in your specific financial situation.

“The greatest use of a life is to spend it on something that will outlast it”

-William James

Working With Professional Advisors

Professional Advisors can be invaluable guides in helping you plan and execute your charitable giving plan. They can help project how each option will affect your tax savings and legacy planning. The type of advisor and expertise you need most depends, in part, on which giving options you which giving options you are most interested in exploring. Your professional advisor may be one or more of the following: attorney, accountant, estate planner, financial planner, stock broker, insurance broker, planned giving officer, or philanthropy consultant. What is most important when selecting a financial advisor is the level of trust and care you receive as a client.

***Next Step:** Professional associations of the various advisor disciplines can also tell you if an advisor is in good standing and meets their criteria. Ask for referrals from friends and colleagues. Interview prospective advisors about their expertise in your area of interest.*

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