Unlocking Planned Gifts: How CFMC Can Help Your Nonprofit
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
<table>
<thead>
<tr>
<th>YOUR GIFT</th>
<th>YOUR GOAL</th>
<th>HOW IT WORKS</th>
<th>YOUR BENEFITS</th>
</tr>
</thead>
</table>
| **Bequest**         | • 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. | • Estate tax charitable deduction  
                      • Life use and ownership of your property                                      |
| **Charitable Gift Annuity (CGA)** | • 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. | • Charitable tax deduction  
                      • Fixed income payments for life  
                      • Reduced capital gains tax  
                      • A portion of your payment is tax free                                      |
| **Charitable Remainder Trust (CRT)** | • 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. | • 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
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

<table>
<thead>
<tr>
<th>Age</th>
<th>Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>65</td>
<td>4.2%</td>
</tr>
<tr>
<td>70</td>
<td>4.7%</td>
</tr>
<tr>
<td>75</td>
<td>5.4%</td>
</tr>
<tr>
<td>80</td>
<td>6.5%</td>
</tr>
<tr>
<td>85</td>
<td>7.6%</td>
</tr>
<tr>
<td>90+</td>
<td>8.6%</td>
</tr>
</tbody>
</table>
Example Charitable Gift Annuity

Property $25,000

Charles Smith - Age 75

5.4% Annuity

Principal $25,000

One Life

Charity $25,000

Deduction $11,271

Payout $1,350
Tax-free $1,107
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

Property $200,000

Monica Garcia - Age 65

5% Rate

Growth Average 7.6%

One Life

Charity $315,847

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/](https://www.cfmco.org/nonprofits/center-for-nonprofit-excellence/)
- Agency Funds
  - [https://www.cfmco.org/nonprofits/agency-funds/](https://www.cfmco.org/nonprofits/agency-funds/)
- Custom Gift Models, Planned Giving information
  - [legacy.cfmco.org](https://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
Philanthropic Services Team

Christine Dawson
Senior Vice President, Philanthropic Services
christine@cfmco.org
831.375.9712  x126

Andrea Scott
Director of Gift Planning
andreas@cfmco.org
831.375.9712  x124

Brian Thayer
Senior Philanthropic Services Officer
briant@cfmco.org
831.375.9712  x144

Mackenzie Little
Philanthropic Services Officer
mackenzie@cfmco.org
831.375.9712  x141

Jasmine Menor
Philanthropic Services Coordinator
jasminem@cfmco.org
831.375.9712  x120