The Jewish Federation
OF RALEIGH-CARY

Three Common Methods to Legacy Giving

and why we hope they will start you on your path to leaving your legacy

1. Donor advised funds are often established with a donation of appreciated stock or by year-end donation of cash to take advantage of charitable deductions from current income tax. Once the fund has been established, the donor recommends distributions from the fund to qualified charities recognized by the IRS, that align with the Foundations' mission. This allows the donor to take advantage of a making one donation, receiving a tax deduction for the full value of the appreciated stock, and then making multiple smaller distributions from the proceeds of that transfer at later dates.

Donor advised funds can be established with a minimum gift of $10,000 in cash, stock, property, or other assets. Some of the benefits of a donor advised fund are:

- Donors receive an immediate tax deduction and eliminate capital gains taxes on any long-term appreciated property
- Donors set up a central location for their charitable giving
- Donors' gifts to the fund remain confidential
- Donors stay involved and, if needed, utilize the resources and JCF's expertise to recommend agencies and programs that connect with their charitable interests and meet the needs of the community
- Donors can name a child or children as successor Trustees, to encourage children to continue the tradition of philanthropy.

2. Endowment funds can be established during a donor's lifetime or through their estate plan, as a bequest, to meet their philanthropic interests and match the current and future needs of their favorite charitable organizations. Endowment Funds can be established to honor or memorialize family or friends while at the same time supporting favorite charities.

Endowment funds can be established with a minimum gift of $25,000 in cash, stock, property, or other assets. Some of the benefits of an endowment fund are:

- Donors receive an immediate tax deduction for endowments established now – depending on the gift vehicle for after lifetime gifts benefits vary (options include bequests, annuities, life insurance and retirement plans)
- Donors can meet their philanthropic interests and provide current and/or future needs for their favorite charitable organization and purpose
- Donors ensure support for their favorite charities and programs continues long after their first donation.

3. Transferring assets as charitable contributions. Two of the most common approaches are:

- **Stock transfers.** After a donor has held stock for more than one year and the price has increased, a donation via stock transfer allows the donor to receive a tax deduction equal to the fair market value of the stock at the time of transfer of ownership.
- **IRA distribution.** For a donor over the age of 72, they designate a portion of their IRA distribution to a qualifying charity and not pay income tax on the withdrawal. The donor may make these contributions up to $100,000 from their IRA.

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