Planned Giving Options

One of the greatest opportunities for philanthropic giving occurs when a client is making major business, personal and financial decisions. Some of these special circumstances include writing or revising a will, contemplating the sale of a business or other major asset, planning for retirement or receiving a financial windfall.

We offer a variety of flexible giving options that can help your clients achieve maximum tax benefits. We can turn around simple gifts (such as cash or stock) in as little as one day, and we can help your clients receive their tax benefit in a given period. There are many powerful ways to give through the Fairfield County Foundation. Our professional staff will work with you to identify which option is best for your client.

Ways Your Client Can Give Now

Cash—Gifts of cash are the easiest and most popular form of giving. Usually in the form of a check, it is fully deductible for federal income tax purposes up to 50% of your clients’ Adjusted Gross Income. Amounts given over and above this may be carried forward and deducted for up to five subsequent years.

Appreciated Securities—Gifts of stock that have been owned for over a year are deductible in amounts up to 30% of your clients’ Adjusted Gross Income. Just like cash gifts, amounts exceeding this limit may be deducted for up to five additional years. Your clients also avoid paying any long-term capital gains tax on the increased value of their stock. Other marketable securities, such as Treasury Bills, mutual funds or bonds, provide comparable tax-saving advantages.

Real Estate and Other Real Property—A gift of real estate entitles your client to a charitable deduction for the fair market value of the property. If the individual chooses to donate a personal residence or farm and wants to live on the property for the rest of their life, they can receive a current tax deduction for the future value of the gift.

Closely Held Stock/Limited Liability Partnership Interests—Shares in a privately owned business, i.e. closely held stocks, can be contributed outright. Generally, the donor is entitled to a deduction for the appraised fair market value, up to 30% of the Adjusted Gross Income. Special rules apply to shares of sub-chapter S corporation stock. Limited partnership interests, such as investment or business partnerships, or family limited partnership interests, can also be contributed.

Ways Your Client Can Give In The Future—Legacy Gifts (Planned and Deferred Gift Vehicles)

As you work with your client on estate planning, why not suggest leaving a portion of their estate to the Fairfield County Foundation as a legacy gift? Remembering the Foundation in their will, financial or estate plans can:

- Significantly reduce tax liability
- Preserve their charitable intent in perpetuity
- Produce a financial windfall for their favorite church, school or charity
- When a life income plan is involved, provide added income benefits for themselves and their family
Whether your clients have a particular area of interest or charity they want to support, or want the Fairfield County Foundation to determine where grant monies are needed most in the community, we will honor your clients' wishes in perpetuity.

**Bequests**—Bequests through a will are one of the most effective methods of philanthropy while enabling the donor to keep assets or property during his or her lifetime. Naming the Fairfield County Foundation in a will can be accomplished through an amendment called a codicil and by establishing a deferred fund through the Foundation. Savings in estate taxes resulting from a gift to the Fairfield County Foundation can be significant, since such bequests can earn a full charitable deduction on estate taxes.

**Types of bequests to consider:**

- **General Bequest:** the Fairfield County Foundation receives a designated dollar amount from the residuary estate.
- **Percentage Bequest:** The Foundation receives a percentage of the estate.
- **Specific Bequest:** A piece of property, such as real estate or stock, is transferred to the Foundation.
- **Residuary Bequest:** The Foundation receives the remaining property from your client’s estate after other obligations are met, including all debts, taxes and other bequests
- **Contingent Bequest:** Your client’s gift is contingent upon satisfying other events, such as the death of a spouse.

**Life Insurance**—Many people find that the protection offered by life insurance policies is no longer needed later in life and choose to use it as a tool for charitable giving. The donor can take a charitable deduction approximately equal to the policy’s cash value at the time he/she makes the gift. If the donor is continuing to pay annual premiums, those premiums will become tax-deductible each year.

**Retirement Fund Accounts**—For a growing number of Americans, an Individual Retirement Account (IRA) may be their largest single asset. People who have planned carefully for their retirement may find that the assets in the IRAs, or other qualified plans, exceed their needs. The remainder may be transferred to the Fairfield County Foundation. The donor can also designate that upon death, assets remaining in the plan are contributed to the Fairfield County Foundation for a fund in the donor's name and to causes of the donor’s choice or for unrestricted giving. Such retirement fund gifts may eliminate taxes that may otherwise consume a large portion of these assets.

**Charitable Lead Trust**—With a Charitable Lead Trust, your client may transfer assets to a trust, creating income for the Fairfield County Foundation for a specified number of years, after which the remaining principal is distributed to their named beneficiaries. Properly set up, this type of planned and deferred gift may help your clients redirect income for charity and avoid estate taxes in the future.

**Charitable Remainder Trust**—Charitable Remainder Trusts are a way for you or the named beneficiaries to receive lifetime income. As the donor, your client receives an immediate charitable deduction for a portion of the gift and avoids capital gains tax. Upon the client’s death, the remaining principal becomes a fund of the Fairfield County Foundation.

**Charitable Gift Annuity**—Charitable Gift Annuities allow the donor to transfer assets to the Fairfield County Foundation, which then agrees to pay the donor a specified amount during the donor’s lifetime. Upon the donor’s death, the remaining principal goes to the Foundation.

**Life Estate Remainder Trust**—Donors can give their home, farm or vacation property to the Fairfield County Foundation and retain the right to use the property during their lifetime, after which it is sold by the Foundation. Your client benefits from an immediate tax deduction in the year that the gift arrangement is made.