

charity. And you don't even need an attorney! (sorry ☺) This can be the "cheapest" gift to give because income taxes are avoided. Both kids, who could have paid dearly in income tax, and the nonprofits win. It's not all or nothing - divide up among multiple charities or kids and charity. Flexible, easy and smart.

Be sure to inform your clients that their will has no bearing on the who is the beneficiary of their retirement plan. The beneficiary designation rules. If ever there was a situation where donor intent is not fulfilled, it's when the client puts in the will she is disinheriting an heir and that her favorite charity will receive part of her estate, including the proceeds of her IRA. Yet (you guessed it), she was either never advised or simply failed to get around to updating the designation. She passes away and that nephew she no longer trusted ended up receiving the IRA proceeds and the charity missed out on the largest portion of her intended gift. Yet, the charity's hands are tied (notwithstanding any claims of duress or fraud) to honor the donor's intent for that part of her gift.

~Slide 40 - Gift in Will~

The most popular deferred gift is a gift in a will or trust. This gift is flexible, costs nothing during lifetime, and is most familiar to your clients, as well as nonprofits. Gifts can be a sum certain, a percentage of the estate, the residual estate or a portion thereof. Clients can gift specific property. Gifts can be outright or contingent. Starting with the ultimate goal in mind, help your client work through several scenarios to ensure her needs and desires are met.

Most charities prefer receiving proceeds from the sale of non-cash assets, except securities which they're almost always set up to receive. Not all charities have the administrative muscle to deal with the many moving parts of liquidating estates, especially more complex assets. Discuss this possibility with your client as she is selecting the beneficiary(ies). Again, refer to the Gift Acceptance Policy. And, by all means, reach out to the nonprofit. Including the gift officer could save much time and cost down the road. The charity's goal is to honor the donor and see to it that the gift is put to the intended use to fulfill the mission.

A note here about restrictions on gifts. Ideally, gift agreements are used for complex gifts. These cover naming opportunities, pledges, change of purpose, endowments, etc. If in doubt, ask the nonprofit about using a gift agreement to ensure there is clarity of understanding and donor intent is understood and fulfilled.

By the way, did you notice I never used the "B" word? I did not use bequest because people don't like it. It reminds them of their death. It also summons thoughts of complexity and expense.

~Slide 41 - Fourth Fundamental~

IV. Fundamental IV: Give and Get - Split Interest Gifts

~Slide 42 - Advantages~