



## **ESTATE PLANNING THROUGH A DONOR ADVISED FUND**

A donor advised fund is an ideal tool for estate and charitable gift planning. Naming your donor advised fund as the charitable beneficiary of your will, charitable trust, gift annuity, retirement plan or insurance policy at the time of your death offers ultimate flexibility and simplicity. You have three options when you use a Christian Community Foundation Donor Advised Fund in this manner:

1. Prior to death, you advise us in by written instruction to whom, how much, and when to give from your fund after your death. You may add or delete charities or ministries by letter, saving you the time and expense of changing wills, trusts or other legal documents. This alternative would also include making gifts to the Hope for Memphis Fund.
2. You may name your children, grandchildren or other trusted advisors to continue the legacy of your giving beyond your lifetime. This allows you to pass your personal giving values to your family, or others you select, to continue the support of those types of charities or ministries that are important to you.
3. Specify in advance that the fund be converted to a Legacy Fund (see below).

### **ADVANTAGES OF MAKING A DONOR-ADVISED FUND AN IRA OR 401-K BENEFICIARY**

Optimum tax savings can be achieved when your donor advised fund is the beneficiary of your IRA or 401-K. By leaving an IRA to their donor advised fund, rather than to heirs, donors can eliminate income taxes on withdrawals and achieve estate tax savings while benefiting the charities they care about most.

- Funds can be withdrawn from an IRA or 401-k without paying tax on the withdrawals saving up to 35% in taxes
- The estate can take a charitable deduction for the amount left to charity saving 45% in estate taxes

### **LEGACY FUND (A DONOR ADVISED FUND FOR GIVING BEYOND YOUR LIFETIME)**

A Legacy Fund offers a donor the unique opportunity to create a charitable legacy. Upon death, the fund would convert to an endowed fund whereby only the earnings from the fund or a percentage of the fund would be available for grant-making. This enables a donor to create a charitable legacy beyond their lifetime by supporting the non-profits or Christian ministries that matter most to them even after their death.

Grants from the fund would be made to one or more non-profits specified by the donors prior to their death. A Legacy Fund is required to have a Mission Statement which would clearly outline the goals and objectives of the Legacy Fund including specific ministry or functional areas of focus or geographical areas which grants from the Fund are intended to benefit. In the event the charities specified by the donor were no longer functioning in a manner consistent with the Fund's Mission Statement, the Grant Committee of Christian Community Foundation would approve grants only to non-profits whose purpose and operations were consistent with the Mission Statement of the Fund.

Depending on the donor's wishes, the Legacy Fund would make grants for a fixed number of years or into perpetuity (assuming satisfactory investment results). Oversight of the Fund's investment would be assumed by the Investment Committee of the Christian Community Foundation. Investment objectives of the Fund would be consistent with those of an endowment fund, the time horizon of the fund and the Investment Policy of Christian Community Foundation.

The minimum initial balance of a Legacy Fund following the death of the donor is \$100,000.

What are the benefits of testamentary giving to your donor advised fund?

- You can decide today how you want the charitable portion of your estate to be handled after you are gone.
- You may wish to involve your children or grandchildren in the giving process. With the assistance of your professional advisor, we can ensure that they follow specific giving guidelines that you determine today.
- During your lifetime, you can change the list of charities you want to support at any time with a letter to us at no cost.
- Setting up a donor advised fund is simple, fast and inexpensive (free).
- A Legacy Fund enables a donor to create a charitable legacy beyond their lifetime by supporting the non-profits or Christian ministries that matter most to them even after their death.
- Aligning with Christian Community Foundation ensures you that you are working with people that have the same mission as your own. We help you carryout the responsibility God has given you over your assets.