



Toledo Area Partnership for Philanthropic Planning
Northwest Ohio • Southeast Michigan

www.toledopartnershipforphilanthropicplanning.org

TAPPP Educational Seminar
November 8, 2013
Hilton Garden Inn – Levis Commons

Breakfast/ Registration	7:30 – 8:00 AM
Welcome/Thank Sponsors	8:00 AM Jim Beaverson, TAPPP President
Introduction of Bill Sturtevant	8:05 Sandy Snyder, Programs Co-Chair
Program	8:10 – 10:15 Bill Sturtevant
<i>(The Dynamics of Philanthropy: How Donors Make Gift Decisions And What Motivates Them To Give) (How current Tax Laws Affect Charitable Giving and What the Future May Hold) (Popular Charitable Giving Techniques And The Accompanying Tax Implementation)</i>	
Break	10:15 – 10:30
Program Resumes	10:30 – 11:55 Bill Sturtevant
<i>(Popular Charitable Giving Techniques And The Accompanying Tax Implementation cont'd) (What Surveys Tell Us About How Donors View Philanthropy, Gift Techniques And Taxes) Questions/Answers</i>	
Closing	11:55 – 12 noon Kelle Pack, Programs Co-Chair
Networking Lunch	12:00- 12:30

Special Thanks To Our Sponsors!

*AFP Northwest Ohio Chapter
Bowling Green State University Foundation
Compass Pointe Philanthropic Consulting
Mercy Foundation
Toledo Community Foundation
University of Toledo Foundation*

	Annual Fund Gift	Major Gift	Ultimate Gift
Gift Type Purpose	Operational Needs	Buildings, Equipment and Endowment	Primarily Endowment
Gift Type	Sustaining Gifts	Special and Major Gifts (10 to 25 times Annual Gift)	Generally Once-in-a-lifetime Expressions of Support (1,000 to 2,000 times Annual Gift)
Characteristics	Frequently Given Frequently Asked For Decision is Rational, Cerebral Decision Made Quickly Decision Can Usually be Made Without Professional Assistance Decision Often Made Without Spouse Approval	Infrequently Given Infrequently Asked For Decision Becomes Emotional, Visceral Stop-and-Think Gift Takes Longer for Decision Nurturing Fundraising Spouse Almost Always Involved	May Involve Combination of Giving Methods, Often Deferred Long Term Relationship Building Decision Becomes Increasingly Emotional Takes Longer and More Study for Decision Receives Professional Input from Others The Consequences of a Poor Decision Become Greater
Strategy	Sell Special Packages Special Projects & Activities Seek Broad Based Support and Peer Involvement Begin Lifelong Relationship Acquire, Renew, Upgrade CULTIVATE .	Market Institution's Mission & Special Opportunities Focus on Select Audience (Financial Capability + Interest + Involvement) Foster Strong Personal Relationship Leverage Association of Staff, Partners, Volunteers	Total Commitment to Institution's Mission Estate Planning Service & Special Opportunities Educate Prospects Regarding Planned Giving Vehicles Create Bonding Relationship Leverage Close Relationships of Staff, Partners, Volunteers
	ASK	ASK	ASK
Methods	Direct Mail Telephone Mass Marketing Special Events Local and Community Programs Personal Solicitation of Prospects Affinity Programs	Regular Cultivation Personal Solicitation (several contacts) Special Events (to focus attention and cultivation) Direct Mail (for information, cultivation) Initiation of Stewardship	Intensive Cultivation On-Going Stewardship Personal Solicitation (a number of contacts) Educational Seminars Direct Mail and Topical Newsletters (for information, cultivation) Special Events (for involvement and cultivation)
Recognition	Giving Clubs Plaques, etc.	Naming Opportunities Lifetime Giving Recognitions Wall "Hall of Fame"	Heritage Club Naming Opportunities Chairs Lifetime Giving Recognitions

FUND AGREEMENT

This AGREEMENT is made and entered into this _____ day of _____, 2001, between, _____ of _____ (city), _____ (state) (hereinafter called the *Donor*) and the _____ (your organization) _____, a nonprofit corporation in the state of _____ (hereinafter called the *Corporation*).

A. Acknowledgment and Name of Gift. The Corporation, in acknowledgment of the fact that the Donor intends to make gifts from time to time to the Corporation, whether inter vivos or testamentary, for the purposes described herein, agrees to hold, administer, and distribute the property received as a result of said gifts as provided herein. The gifts shall be designated on the books and records of the Corporation as the " _____ Fund" (hereinafter called the *Fund*). The Donor or any other person may at any time make additional contributions to the Fund by gift, will, or otherwise.

B. Investment. The Corporation is authorized to continue investment of the Fund in the assets received as contributions to the Fund, or the Corporation may sell or exchange any of said assets and reinvest the proceeds in any manner it may deem fit.

C. Income from Fund. The principal of the Fund shall be held as an endowment and the net income therefrom shall be held and disposed of upon the terms and conditions prescribed herein.

- 1.
- 2.
- 3.

D. Alternate Application of Income. In the event _____
(your organization) determines at some future time that it is no longer practical for the Fund to be used as specified herein, then the Corporation may devote the net income from the Fund to:

In any such alternate application of income, the funding source shall be clearly identified as the " _____ Fund."

E. Representatives and Successors Bound. This AGREEMENT shall be binding upon and inure to the benefit of the parties hereto, their heirs, executors, administrators, legal representatives, successors, and assigns.

IN WITNESS WHEREOF, the parties have caused this AGREEMENT to be executed the day and year hereinabove written.

(Name of Organization)

By: _____

Its: President

Donor

ATTEST

APPROVED AS TO CONTENT:

Secretary

SEAL

SUMMARY OF LIMITATIONS IMPOSED ON DEDUCTION OF CHARITABLE CONTRIBUTIONS BY INDIVIDUALS

<u>Type of Contribution</u>	Contributions to 50%-Type Organizations (1)		Contributions to 20%-Type Organizations (1)	
	Amount Deductible	Percentage Limitation	Amount Deductible	Percentage Limitation
Cash	Cost Basis	50%	Cost Basis	30%
Property with inherent ordinary income, e.g., inventory certain depreciable property, agricultural products, certain property used in farming, oil or gas property, art work by their creator, "Section 306 stock", etc., and property with inherent short-term capital gain, e.g., stocks, bonds, or other capital assets held for not more than twelve months	Cost Basis	50%	Cost Basis	30%
Property with inherent long-term capital gain, e.g., stocks, bonds, or other capital assets held for more than twelve months				
Marketable securities	Fair Market Value	30%	Fair Market Value	20%
Non-marketable securities, Real Estate and Tangible Personal Property	Fair Market Value	30%	Cost Basis	20%
If election is made to reduce amount of contribution	Cost Basis	50%	Election provisions not applicable for contributions to 20%-type organizations	
Tangible personal property, if use of property is unrelated to donee's exempt purpose or function	Cost Basis	50%	Cost Basis even if put to a related use	20%

(1) 5-year carryover is allowed in all cases

Note that where cost basis is the limit of the charitable deduction the rule calls for the use of fair market value where it is lower than cost basis

TAX SUMMARY FOR VARIOUS DEFERRED GIFT TECHNIQUES

		Testamentary Gifts		Lifetime Gifts Deduction		Charitable Remainder		Charitable Remainder	
		Deduction for		Charitable Remainder		Charitable Remainder		Charitable Remainder	
Form of Gift	Income Tax and Gift Tax	Estate Tax	Estate Tax	Estate Tax	Estate Tax	Treatment of Income Received by Individual Beneficiary	Tax Liability for Capital Gains if Funded with Property	Gift Tax Liability	Gift Tax Liability
Charitable Gift	Value based upon age of income beneficiary and % return	Based on current value of remainder	Based on current value of remainder	Value based upon age of income beneficiary and % return	Value based upon age of income beneficiary and % return	Portion is return of principal—balance taxes as ordinary income and partly capital gains if a bargain sale	Bargain sale element spread over life expectancy of income beneficiary	Based on actuarial value of any income interest in one other than donor (1)	Based on actuarial value of any income interest in one other than donor (1)
Annuity	Value based upon age of income beneficiary and % return	Arises if donor is income beneficiary	Arises if donor is income beneficiary	Value based upon age of income beneficiary and % return	Value based upon age of income beneficiary and % return				
Pooled Income Fund	Value based on age of income and beneficiary and highest return of fund in 3 preceding years	Based on current value of remainder	Based on current value of remainder	Value based on age of income and beneficiary and highest return of fund in 3 preceding years	Value based on age of income and beneficiary and highest return of fund in 3 preceding years	Taxes as ordinary income	None unless bargain sales rules apply because property is subject to indebtedness	Based on actuarial value of any income interest in one other than donor (1)	Based on actuarial value of any income interest in one other than donor (1)
Charitable Remainder Annuity Trust	Value based upon age of income beneficiary or term of years and rate of return specified by donor	Based on current value of remainder	Based on current value of remainder	Value based upon age of income beneficiary or term of years and rate of return specified by donor	Value based upon age of income beneficiary or term of years and rate of return specified by donor	In the following order and to the extent thereof taxed as:	None unless bargain sales rules apply because property is subject to indebtedness	Based on actuarial value of any income interest in one other than donor (1)	Based on actuarial value of any income interest in one other than donor (1)
		Arises if donor is income beneficiary	Arises if donor is income beneficiary			1) Current ordinary income			
						2) Undistributed ordinary income from prior years			
						3) Current capital gain			
						4) Undistributed capital gain			
						5) Other income for current, then from prior years			
						6) Trust corpus—not taxable			
Charitable Remainder Unitrust	Value based upon age of income beneficiary and rate of return specified by donor	Based on current value of remainder	Based on current value of remainder	Value based upon age of income beneficiary and rate of return specified by donor	Value based upon age of income beneficiary and rate of return specified by donor	In the following order and to the extent thereof taxed as:	None unless bargain sales rules apply because property is subject to indebtedness	Based on actuarial value of any income interest in one other than donor (1)	Based on actuarial value of any income interest in one other than donor (1)
		Arises if donor is income beneficiary	Arises if donor is income beneficiary			1) Current ordinary income			
						2) Undistributed ordinary income from prior years			
						3) Current capital gain			
						4) Undistributed capital gain			
						5) Other income for current, then from prior years			
						6) Trust corpus—not taxable			

(1) may be avoided if donor retains power to revoke by will other donee's interest.