Great outcomes. Done well.

# Making It Count

## Strategies to Maximize the Impact of Your Charitable Gifts

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*Sharing your hard-earned dollars with a cause close to your heart can be a very humbling, gratifying gesture – and there are many ways to maximize the impact of your donations. This month's Wealth Management Insights explores a few techniques you can consider to make thoughtful, strategic charitable gifts.*

America's charitable contributions totaled a record $373.25 billion in 2015. Every donation counts - and with careful planning - your gift can have maximum impact.

***– Scott Grenier***
*Senior Estate Planner*

### What you should know:

**1. The professional advisors in your life can help you develop and realize your charitable goals.**

- A financial advisor can help you define your charitable intentions and introduce you to planning concepts and techniques. They can also connect with other professionals in your life – for example, your attorney or certified public accountant – and coordinate the team's efforts.
- An attorney can help align your overall estate plan with your charitable goals. In addition to recommending estate tax- and income tax-efficient estate planning, an attorney can recommend an appropriate entity for your charitable giving.
- A CPA can also recommend income tax-efficient strategies as well as run tax projections to evaluate which strategy makes the most sense for your charitable intentions.

**2. Careful planning can help ensure your gift has long-term benefits.**

- Charitable trusts allow you to make a future charitable gift right now. A charitable lead trust makes annual payments to a designated charity for a period of time, and the remainder of the trust is distributed to designated beneficiaries at the end of the term. A charitable remainder trust is the reverse; it provides income to you and/or your beneficiaries for life or period certain, and the residual balance transfers to a charity at the death of the last surviving beneficiary or the end of the trust's term.

- Families that want to establish a legacy can consider donor-advised funds or a private foundation. While a private foundation can make a significant charitable impact, they are often very expensive to establish and maintain. Donor-advised funds allow families to recommend which public charities receive grants – without the operating expenses of a private foundation.
- As tax season approaches, it's important to note IRS charitable deduction limits. You cannot deduct more than 50% of your adjusted gross income, and 20% and 30% limitations may apply in certain cases. Be sure to factor these considerations into your year-end discussions and planning with your tax professional.

**3. Think broadly when it comes to giving back.**

- Take advantage of your employer's charitable gift matching opportunities, if available. Be sure to research any nonprofit you're considering donating to and verify it qualifies for a match under your employer's guidelines.
- Enhance your monetary donations by volunteering for the organization. Many charities welcome additional hands around the holiday season!
- Consider giving different assets to achieve your charitable goals. For example, families can donate land while continuing to live on it through a remainder interest trust. In this vehicle, a donor makes an irrevocable gift of an interest in the family property while retaining a life estate. When the donor dies, ownership transfers to a designated charity.

## What you should do now:

As 2016 draws to a close, consider giving back to a cause that matters to you. Before making a charitable gift, consult your Baird Financial Advisor and other professional advisors in your life. They can help you identify the best way to maximize the impact of your charitable gifts. ■