

Lower your taxes while maximizing your impact

Charitable Gift Planning

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.



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Create Opportunities
We promise to know you and help you.

Agenda

- Introduce CLA
- Introduce Cibolo Nature Center
- Identify tax strategies for charitable giving
 - IRA Required Minimum Distributions
 - Donor Advised Funds
 - Appreciated Stock
 - Charitable giving in decedent's will



CLA exists to...

Create Opportunities for our clients, our people, and our communities through industry-focused wealth advisory, outsourcing, audit, tax, and consulting services. *With more than 5,500 people, 110 U.S. locations and a global affiliation, we promise to know you and help you.*



Cibolo Nature Center



Our vision is to be the model nature center and farm inspiring conservation and celebration of the natural world



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IRA – Required Minimum Distribution (“RMD”)

- RMD begins at age 70 ½
- Up to \$100,000 of RMD annually can be directly transferred to a qualified charity
 - Is not reported in Adjusted Gross Income
 - Not reported as charitable gift for itemized deduction
- Only allowed for RMDs.
- Qualified charities does not include private foundations and donor-advised funds

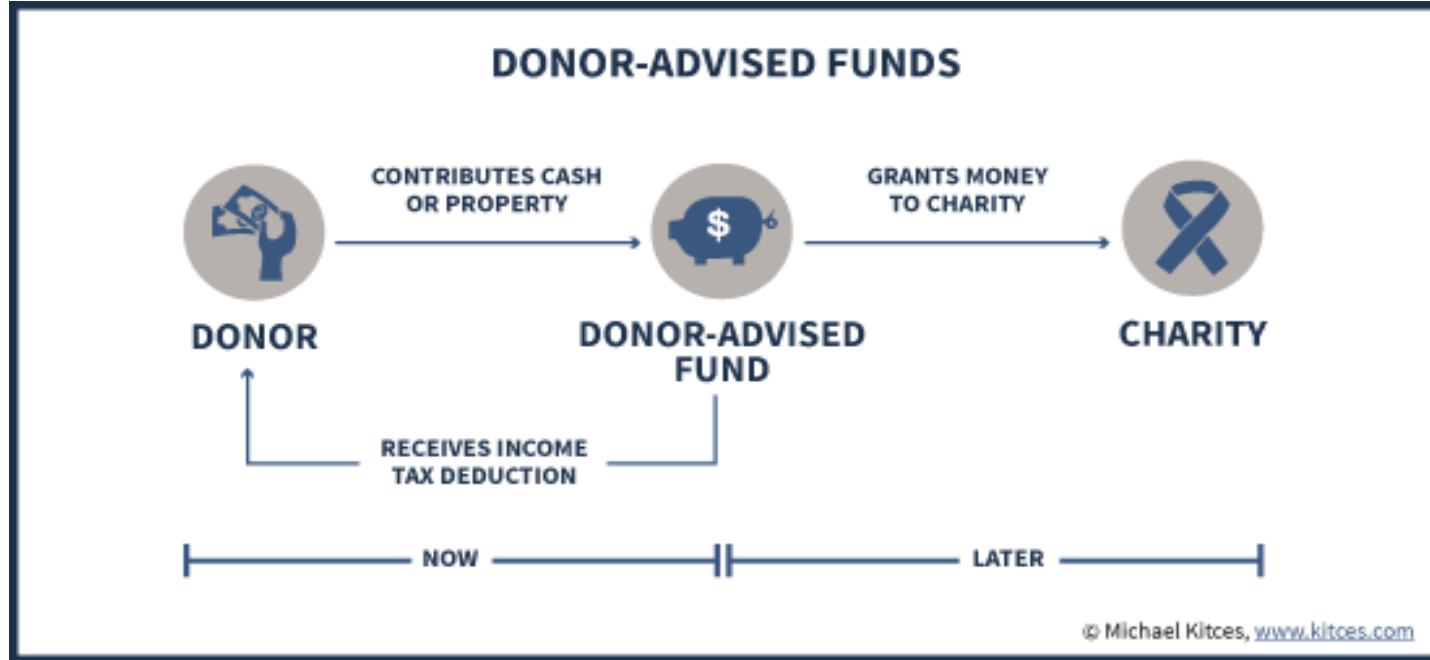


Donor-Advised Fund

- Allows for a tax-deductible donation into a managed investment or savings account (popular in Silicon Valley – appreciated stock)
- Can deduct up to 60% of AGI annually on cash donations. Excess carries over 5 years.
- Can be professionally invested/managed at certain asset levels (\$250,000); grows tax free
- Donor can designate charitable distributions out of the fund
- No annual distribution requirements
- Distributions when made must be to a 501(c)(3) public charity
- Charitable gifts to DAFs can be anonymous
- Minimum donation of \$5000 to open DAF with Schwab Charitable



How It Works



Gifts of Appreciated Stock

- Donations of long-term appreciated stock are deductible at the FMV
- No capital gain is recognized on the appreciation in value.
- Great charitable giving strategy when holding large amounts of appreciated stock
- Can be donated to a donor-advised fund – provides good option when giving to a smaller charity that can't handle the receipt of stock directly
- Donation limited to 30% of AGI
- Don't donate stock with a loss



Example: \$100,000 Donation of appreciated stock

Assumptions: 32% tax bracket, 20% capital gains rate and \$5000 original cost basis

Result: Donating the stock results in no capitals gains tax being paid and a larger itemized deduction

| | Option 1: | Option 2: |
|--|--|--|
| | Sell stock and donate the net proceeds | Donate stock directly to DAF or charity |
| Current fair market value of stocks | \$100,000 (1,000 shares × \$100 per share) | \$100,000 (1,000 shares × \$100 per share) |
| Long-term capital gains tax paid ¹ | \$19,000 | \$0 |
| Amount donated to DAF or charity | \$81,000 | \$100,000 |
| Personal income tax savings ² (0.32 × amount donated to charity) | \$25,920 | \$32,000 |

¹ Assumes a cost basis of \$5,000, that the investment has been held for more than a year, and that all realized gains are subject to a 20% long-term capital gains tax rate. The analysis does not take into account any state or local taxes.

² Assumes donor is in the 32% federal income tax bracket, and does not take into account any state or local taxes. Certain federal income tax deductions, including the charitable contribution, are available only to taxpayers who itemize deductions, and may be subject to reduction for taxpayers with AGI above certain levels. In addition, deductions for charitable contributions may be limited based on the type of property donated, the type of charity and the donor's AGI. For example, deductions for contributions of appreciated property to public charities generally are limited to 30% of the donor's AGI. Excess contributions may be carried forward for up to five years



Charitable giving in your will

- Tax Cut and Jobs Act of 2017 increased the lifetime estate/gift exemption to \$11M+ per individual
 - Subject to change in future legislation
- Should be balanced with giving plans during your lifetime
 - Giving during your life time may lower income tax burden
 - Giving in your will may lower estate tax burden
- Build flexible plans that accounts for potential changes in legislation



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“We make a living by what we get, but we make a life by what we give.”

- Winston Churchill

