

Common Methods of Planned Giving

Bequest in Your Will or Estate Plan – Bequests are the cornerstone of most estate plans and commonly used way for donors to arrange a charitable gift. Donors set up a bequest when they work with their attorneys or legal advisors to draft their wills. Donors who already have wills can add a codicil to a will to add a charitable bequest. This will avoid the cost of rewriting the will. It is recommended that the codicil be written by legal counsel.

Life Insurance – Life insurance is a wonderful yet often overlooked tool for making a charitable gift. A gift can be set up by a donor, selecting a charity as a beneficiary of all or a portion of the policy's proceeds. Or, a donor could give the policy to the charity and the charity could either cash it in or hold it until a later date.

Retirement Plans – Individuals with a retirement plan, whether through their employer or their own Individual Retirement Account (IRA) or 401(k)s, 403(b)s and pension plans, can select a charity as a beneficiary of all or a portion of the accounts proceeds. These gifts are arranged by donors contacting the administrator of their plans.

Financial Service Products – Individuals with certificates of deposit or other investment accounts at a bank or financial institution. Donors can select a charity as the beneficiary of these accounts through a payable-on-death provision. The charity would receive the remaining balance of the funds upon the donor's death.

Gifts of real estate or personal property - Individual with property can donate real estate or other types of personal assets to charities. The donor needs to discuss this plan thoroughly with the charity that he/she wishes to leave the asset to. Many charities have guidelines on what assets they will accept and will not accept. Many charities will sell the assets and use the proceeds. This may not be the donor's intentions. This may be good option for a donor to make a charitable contribution if he/she is asset rich.

It is very, very important to discuss these different options with your financial adviser and make an informed decision about the best method for you to leave a donation to charity through planned giving.