

# Deciding to Give

## A guide to personalizing your philanthropy



LOS ALTOS  
COMMUNITY  
FOUNDATION

### Many people come to a point in their lives where they feel inclined to give back.

This may be the time for you. To be effective in your giving, you may consider what motivates you. Perhaps you feel strongly about a cause. Perhaps an organization has touched your life or the lives of loved ones. Maybe you want to create a legacy and set an example that inspires others to give. Or your giving is a way to get your family together and pass along your values to younger generations.

For as many motivations as there are to give, there are ways of giving. The key to having a rewarding giving experience is finding the best fit—for your charitable priorities, financial goals, and personal preferences. This checklist is designed to help you and your professional advisor determine the custom giving solution that's right for you.

### What are your charitable priorities?

**Charitable interests.** You may have a single charitable interest. Or you may have several, or a desire to explore new community needs as they arise. Note the charitable interests that you'd like to pursue.

- |   |  |
|---|--|
| <input type="checkbox"/> Hometown community   | <input type="checkbox"/> Arts                      |
| <input type="checkbox"/> Retirement community | <input type="checkbox"/> Education                 |
| <input type="checkbox"/> Alma mater           | <input type="checkbox"/> Health and human services |
| <input type="checkbox"/> Faith organization   | <input type="checkbox"/> Youth                     |
| <input type="checkbox"/> Environment          | <input type="checkbox"/> Other _____               |

**Impact.** What kind of impact do you hope to make with your charitable gift?

- Solve specific, current, critical needs
- Help the largest number of people possible
- Make a significant difference in the lives of a few
- Construct buildings that will endure for generations
- Help nonprofit organizations thrive by supporting their operations.
- Address long-term, systemic social issues
- Other \_\_\_\_\_

**Perpetuity.** Should your gift last forever? You can endow your gift so that only the income is spent and the principal becomes a growing source of community capital. Or, you can choose to spend all of your charitable assets. What is your preferred timetable?

- Give all direct gifts with no endowment
- Spend down your gifts in your lifetime or during a set span of years
- Give some direct gifts with no endowment, endow some gifts
- Give only endowed gifts



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**Knowledge.** Would you like more information in any of the following areas?

- Establishing a philanthropic plan
- Understanding community needs and opportunities
- Evaluating charitable giving options
- Starting a donor-advised fund at a community foundation
- Evaluating nonprofit effectiveness
- Measuring impact of charitable gifts
- Understanding best practices of other philanthropists
- Starting or operating a private foundation

**What are your financial goals?**

**Assets and taxes.** Most large gifts offer significant tax deductions. Giving during high-income years can defray taxes with charitable deductions. Donating appreciated securities or real estate avoids taxes on the sale of these assets. And, charitable bequests can play a role in estate planning for your heirs. Your professional advisor can help you assess the financial and tax implications for the following kinds of gifts:

- Cash
- Retirement savings
- Appreciated securities
- Closely held stock and business assets
- Real estate
- Life insurance
- Other asset \_\_\_\_\_

**Transitions.** Major life events often drive changes to an estate plan and prompt charitable gifts. Which of the following transitions might be relevant?

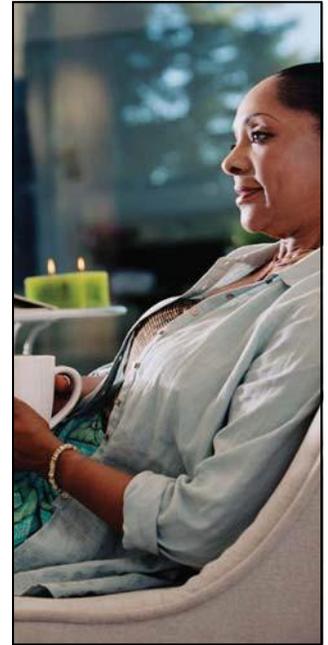
- Selling a business
- Change in marital status for you or your heirs
- Retirement or estate planning
- Receiving an inheritance
- Birth or coming of age of children or grandchildren
- Death of a loved one

**Timing.** Maybe you would like to start giving now, so you can get involved or potentially see the results of your gift. Or perhaps you'd like to give through your estate. Most philanthropists do a combination of these. What is your timing preference?

- Give all gifts during lifetime
- Gift some lifetime gifts; some after death
- Give all gifts after death

**Income.** Some people choose to give in a way that provides them—or a loved one—a stream of income for life. Your professional advisor can help you select a giving vehicle that suits your time horizons, tolerance of risk, and income requirements. What kind of income would you like your estate to provide?

- Predictable lifetime income for you *and* your spouse
- Predictable lifetime income for you *or* your spouse
- Maximum lifetime income for you *and* your spouse
- Maximum lifetime income for you *or* your spouse
- Income for heirs
- Provide income to a charity during your lifetime



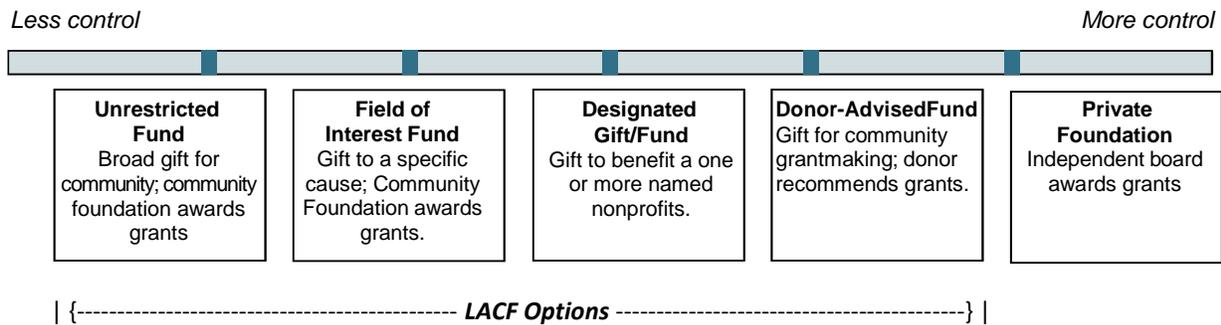
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### What are your personal preferences?

**Recognition.** Some people like a tasteful level of recognition for their good work. It attracts attention to their cause, generates awareness, and may inspire others to give. Some people prefer anonymity. What level of recognition do you prefer?

- Lasting recognition (name on a fund, foundation, building, or permanent structure)
- Public recognition (name in public announcement or media coverage)
- Simple recognition (personal thank you and name listed in annual report or newsletter)
- Anonymity

**Control.** Is ultimate control over assets you give to charity important to you? Some people aren't comfortable without it. Others are glad to let go, once they've made some guiding decisions. Determining the range that's comfortable for you will help your advisor recommend appropriate giving vehicles.



**Involvement.** Do you want to play an active role in your giving, selecting recipients of your gift for years to come? Would you like to involve your children or grandchildren? Or would you prefer to make one-time gifts with no future demands on your time?

- No personal involvement
- Current personal involvement
- Lifetime personal involvement
- Future personal involvement through children
- Future personal involvement through grandchildren

**Personalized service.** Many very busy but charitable people choose to receive personalized services—assessment of community needs, administration of their philanthropy, investment management—that allow them to focus on the more rewarding aspects of giving. What are the services you would find helpful?

- Local community needs assessment
- Research into national or global issues
- Due diligence of selected organizations
- Education on best practices for philanthropy and grantmaking
- Join other local philanthropists in a group to work together on grantmaking and philanthropy
- Planned giving assistance
- Gift origination assistance
- Grant administration
- Investment management
- Facilitation of family meetings and charitable activities

Giving options

Depending on your passions, giving priorities and preferences, Los Altos Community Foundation offers a number of flexible and effective charitable options for you. LACF is happy to work with you and your professional advisor to review different giving solutions.

	{----- <i>Los Altos Community Foundation Options</i> -----}			
	<b>Direct Donation to LACF’s Community Impact Fund or other Fund at LACF</b>	<b>Start an LACF Fund: Donor Advised, Field of Interest, Designated, Scholarship, etc.</b>	<b>Planned Giving - Include LACF in your Estate Plans</b>	<b>Start a Private Foundation</b>
<b>Purpose</b>	Enables LACF to provide its programs and services every day.	Two options: 1) Allows you and your family to grant to any nonprofit or 2) Provides LACF with funds for local grants.	Provide gift that serves the community forever through 1) LACF’s Community Endowment and/or 2) Your endowed fund.	For complete control of grants and recipients.
<b>Recognition</b>	Annually as an LACF Donor (or, anonymously, if you prefer).	You can set up a fund in your name and give on behalf of it.	LACF Legacy Circle members are recognized forever (if desired).	Foundation can be recognized.
<b>Involvement and control</b>	You give your gift directly to LACF for the Foundation’s best use.	You can recommend grants to nonprofits from your fund, subject to LACF Board Approval.	LACF will use its endowment earnings for the community. If you set up an endowed legacy fund, you can specify how its grants are used.	You appoint a board which controls investments and grantmaking.
<b>When the Gift Benefits the Community</b>	Immediately	As you grant from your fund over time.	After you pass away.	As you grant. NOTE: Must grant at least 5% / year.
<b>Grantmaking Support</b>	Your decision based on your interest and research.	LACF staff can help you identify and assess grantees, provide input on community needs, and verify nonprofit status.	LACF staff can advise you on ways to set up your gift to effectively achieve your objectives and wishes.	You arrange and support grantmaking and monitoring structure.
<b>Examples of types of Charitable Gifts</b>	Cash, employer matching gifts, securities, real estate, IRA Distribution to satisfy Required Minimum Distribution, Life Income gifts, business interest, etc.	Cash, securities, real estate, business interest, transfer of a private foundation, etc.	Bequests, cash, retirement account (IRA, 401k, 403b), life insurance, securities, real estate, Life Income gifts, business interest, your Donor Advised Fund, transfer of a private foundation, etc	Cash, securities, real estate, business interest, etc.
<b>Startup Costs</b>	None	None	None	Several thousand dollars for legal and accounting expenses and filing fees.
<b>Tax Benefits</b>	Immediate	Immediate	Life Income gifts provide immediate tax benefit. All other gifts benefit your heirs after your lifetime.	When funded.
<b>Administrative requirements</b>	None	None. (LACF charges a nominal annual fees for funds.)	None. (LACF charges a nominal annual fee for managing endowed legacy funds.)	Several thousand dollars for legal and accounting. Must file annual 990 tax form.