WE ASPIRE TO INSPIRE.

GUIDANCE YOU DESERVE.

CHARITABLE GIFTING DEMYSTIFIED

MICHAEL JAY BORZA
Senior Vice President, Wealth Management

AUSTIN LEE STORCK, CIMA®
Financial Advisor

Jenn K. Cox
Registered Client Service Associate

Living a Life of Purpose

Advocate for your deeply held beliefs

Living a life of purpose through thoughtful gifting is deeply rooted in our faith and philanthropic aspirations. By aligning our financial resources with our beliefs, we create opportunities to support causes that resonate with our core values, bringing fulfillment and purpose. Thoughtful planning ensures our charitable actions reflect our deepest convictions, making meaningful contributions that benefit those in need.

As we embark on this journey of purposeful living through charitable actions, it is important to remember that our efforts are part of a larger mission. Each act of giving, no matter how small, contributes to a greater good and helps build a legacy that reflects our faith and values. By embracing the principles of thoughtful planning and strategic giving, we can inspire others to join us in our mission and create lasting change in the world.

Mike, Austin & Jenn

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Practical Tools

1. Cash Gifts
2. Bequests
3. Donating Appreciated Assets (Stocks, Mutual Funds, Real Estate)
4. Qualified Charitable Distributions (QCDs)
5. Charitable Remainder Trusts (CRTs)
6. Charitable Lead Trusts (CLTs)
7. Charitable Gift Annuities (CGAs)
8. Donor-Advised Funds (DAFs)

"Think of these practical tools for charitable gifting as a well-stocked toolbox—each tool has its purpose, but not every tool fits every job."

Why Choose Cash Gifts?

Immediate Impact

The charity can use the cash right away for its programs or operations.

Tax Deduction

Cash gifts are tax-deductible, up to 60% of your adjusted gross income (AGI) in most cases.

Simplicity

Requires minimal planning or administrative work. You can choose when and how much to give

Cash gifts are the simplest form of charitable giving, involving direct monetary contributions to a charity.

contribution of cash

donor → charity

may qualify for an income tax charitable deduction for the full value of the gift (up to 60% of AGI)

* https://citizensandscholars.mygiftplan.info/ways-to-give/cash/

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Why You Might NOT Choose Cash Gifts?

No Leveraging

Unlike other options (e.g., appreciated assets), the value of a cash gift is limited to the amount you give.

No Long-Term Legacy

Cash gifts don't create an ongoing impact unless structured through an endowment or recurring giving plan

May Require Liquidation

Donors may need to sell investments or other assets to generate cash for the gift, which could have tax consequences.

Key Considerations

- **Evaluate whether giving cash aligns with your financial situation and liquidity.**
- **Work with the charity to ensure proper documentation for tax purposes**

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Why Choose Bequest?

Simple to Implement

- Easily added to an estate plan.

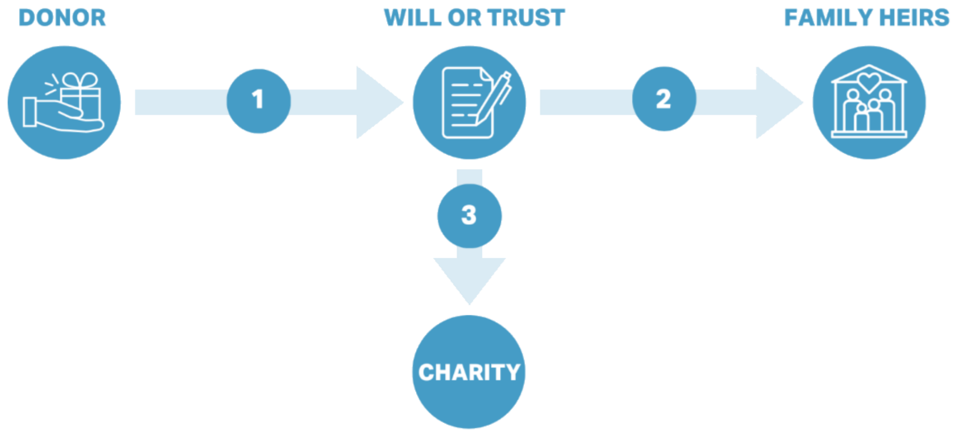
Flexible

- Can be modified or revoked during your lifetime

No Immediate Financial Impact

- Does not affect current finances

A bequest is a gift made through a will or estate plan, effective after your passing.



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Why You Might NOT Choose Bequest?

No Lifetime Tax Benefits	Bequests provide no tax deductions during your lifetime.
Potential Estate Taxes	May be subject to estate tax unless properly planned.
Requires Clear Instructions	Poorly worded wills can lead to disputes.

Key Considerations

- **Ensure your will is clearly written and specific to avoid disputes among beneficiaries.**
- **Consult with an estate planning attorney to ensure your bequests are legally sound and to understand the implications of estate taxes.**
- **Periodically review and update your will and estate plan to reflect any changes in your life circumstances**

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Why Choose to Donate Appreciating Assets?

Avoid Capital Gains Tax

Donors do not pay taxes on appreciated value.

Example: If you bought stock for $10,000 and it's now worth $50,000, donating it avoids capital gains taxes on the $40,000 gain.

Tax Deduction

Receive a deduction for the full market value.

Donating stocks, bonds, or mutual funds that have increased in value can maximize tax benefits.

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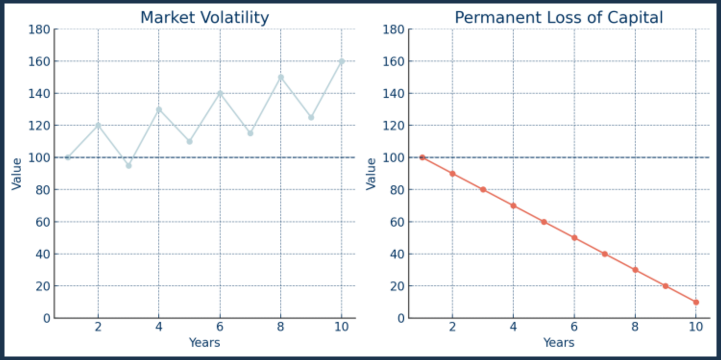
Why You Might NOT Choose to Donate Appreciating Assets?

Market Risk

When donating appreciating assets, it's important to consider market risk, as the volatility of securities can affect the final amount the charity receives. The value of your donation may vary depending on when the charity sells the securities to generate funds for their needs.



This visual effectively conveys the concept that while volatility can cause temporary declines in value, the real risk lies in the potential for permanent loss of capital.

Key Considerations

- **Consider the timing of your donation to maximize tax benefits and potentially reduce market risk. Donating during a market high can increase the value of your tax deduction.**
- **Check the charity's policy on handling donated securities. Some charities may sell the securities immediately, while others might hold them, affecting the potential impact of market fluctuations.**
- **Ensure you have proper documentation and valuation of the donated securities to claim the tax deduction. This includes obtaining a qualified appraisal if the value exceeds certain thresholds.**

This is a hypothetical illustration and is not intended to reflect any actual outcome. Individual circumstances will vary. Any information is not a complete summary or statement of all available data necessary for making an investment decision and does not constitute a recommendation. Please consult with your financial advisor.

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Why Choose Qualified Charitable Distributions?

Tax Efficiency	Preserves Cash Flow
QCDs satisfy required minimum distributions (RMDs) without increasing taxable income.	• Requires minimal planning or administrative work. • You can choose when and how much to give

A QCD allows individuals aged 70½ or older to donate directly from an IRA to a charity, up to $108,000 annually.*

*Irs.gov

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Why You Might NOT Choose Qualified Charitable Distributions?

Age Restriction

Only available to individuals aged 70½ or older.

IRA Limitation

Only funds from traditional IRAs are eligible.

(not 401(k)s or other retirement accounts)

Cap on Contributions

Limited to $108,000 per year, per individual

Key Considerations

- **Ideal for retirees looking to minimize taxable income while supporting charities.**
- **Ensure the charity qualifies for QCDs under IRS rules.**

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Why Choose a Charitable Remainder Trust (CRT)?

Income Stream

- Beneficiaries receive regular payments during the trust's term

Tax Benefits

- Contributions are tax-deductible based on the present value of the charity's remainder interest.
- Assets transferred to the trust avoid immediate capital gains taxes upon sale.
- Removes assets from your taxable estate, reducing estate taxes.
- Requires minimal planning or administrative work. You can choose when and how much to give

A CRT is an irrevocable trust that provides income to you or your beneficiaries for a set period, with the remainder going to a charity.

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Why You Might NOT Choose a Charitable Remainder Trust (CRT)?

Complex Setup	Requires legal and administrative costs to establish and maintain the trust.
Irrevocable	Once created, the trust cannot be altered, and assets are no longer under your control.
Charity Must Wait	The charity doesn't receive the gift until the trust term ends.

Key Considerations

- **Works well for donors with highly appreciated assets and a desire to balance giving with income needs.**
- **Requires professional legal and financial guidance to structure effectively.**

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Why Choose a Charitable Lead Trust (CLT)?

Immediate Impact

The charity benefits from regular income distributions.

Estate Tax Benefits

Reduces taxable estate by transferring assets to heirs at a reduced value.

Customizable

You can set the term and payout structure to suit your goals.

A CLT provides income to a charity for a set period, with the remainder going to your heirs or other beneficiaries.

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Why You Might NOT Choose a Charitable Lead Trust (CLT)?

Complexity	Like CRTs, CLTs require legal and financial expertise to establish and administer.
No Immediate Tax Deduction	Depending on the structure, you may not receive a charitable deduction upfront.
Risk to Heirs	The remainder value depends on the trust's investment performance.

Key Considerations

- **Best suited for high-net-worth individuals seeking to balance charitable giving with estate planning.**
- **Requires careful planning to maximize benefits and minimize risks.**

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Why Choose a Charitable Gift Annuity (CGA)?

Guaranteed Lifetime Income

Beneficiaries receive a fixed income for life.

Example: A retiree donates $100,000 to establish a CGA and receives $6,000 annually.

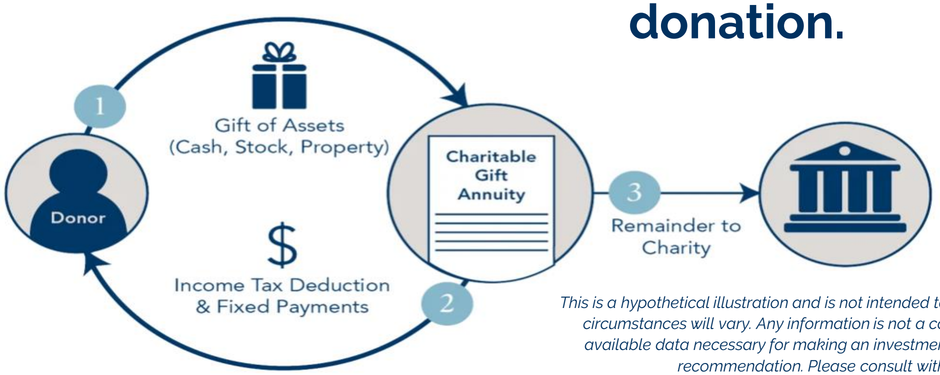
Partial Tax Deduction

A portion of the donation is tax deductible.

Avoidance of Capital Gains Tax

If funded with appreciated assets, donors can avoid capital gains tax on the donated amount.

CGAs provide guaranteed income in exchange for a charitable donation.



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Why You Might NOT Choose a Charitable Gift Annuity (CGA)?

Irrevocable

Once established, the assets cannot be withdrawn, limiting financial flexibility.

Lower Returns

Returns are often less than traditional investments, potentially reducing overall financial growth.

Risk to Charity

The remainder value depends on the trust's investment performance.

Key Considerations

- Understand the payout rate offered by the charity, which is typically based on your age at the time of the donation. Older donors generally receive higher payout rates.
- Determine how often you will receive payments (e.g., monthly, quarterly, annually) and ensure it aligns with your financial needs.
- Consider the residual value that will go to the charity after your lifetime. This can impact the overall benefit to the charity and your legacy.

Why Choose a Donor-Advised Fund (DAF)?

Immediate Tax Deduction

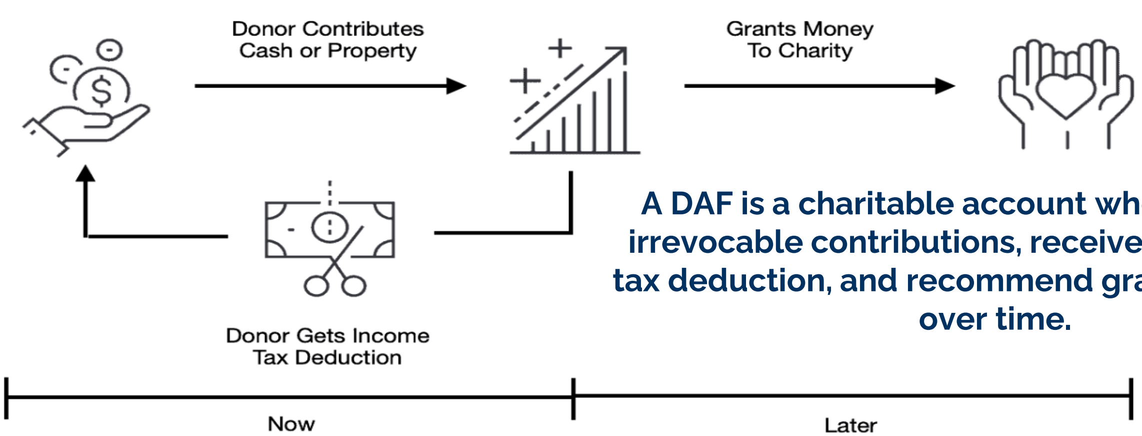
You receive a deduction in the year you contribute to the fund, even if you distribute funds to charities later

Tax Efficiency

You can contribute appreciated assets to avoid capital gains taxes.

Simplified Recordkeeping

The DAF provider handles administrative tasks, such as issuing grants and maintaining records.



A DAF is a charitable account where you make irrevocable contributions, receive an immediate tax deduction, and recommend grants to charities over time.

Donors are urged to consult their attorneys, accountants or tax advisors with respect to questions relating to the deductibility of various types of contributions to a Donor-Advised Fund for federal and state tax purposes. To learn more about the potential risks and benefits of Donor Advised Funds, please contact us.

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Why You Might NOT Choose a Donor-Advised Fund (DAF)?

Fees

DAF providers typically charge management fees, which reduce the value of your contributions.

No Direct Control

While you can recommend grants, the DAF provider has the final say on distributions

Irrevocable Contributions

Once you contribute to a DAF, you cannot reclaim the funds.

Key Considerations

- **Ideal for donors who want to structure giving over several years while enjoying immediate tax benefits.**
- **Compare DAF providers to find one with reasonable fees and investment options.**

Donors are urged to consult their attorneys, accountants or tax advisors with respect to questions relating to the deductibility of various types of contributions to a Donor-Advised Fund for federal and state tax purposes. To learn more about the potential risks and benefits of Donor Advised Funds, please contact us.

Volunteering

Giving of your time can often be even more fulfilling than simply giving money. By volunteering, you get to experience firsthand the positive impact you are creating. You can meet new people, learn new skills and feel more connected to your community.

The opportunities for volunteers are endless, so chances are, you can find one that fits your interests.

Do you like sports?
Be a volunteer coach.
Do you have a green thumb?
Volunteer at a community garden.
Are you handy with tools?
Build houses for the homeless.

The point is, you can fuel your passion as a volunteer.

Define Your Philanthropic Goals

1. What Motivates You To Give?
2. What are your interests? Why?
3. Where do you Spend most of your time?
   What about your money?
4. Which Life events have shaped your worldview?
5. What philanthropic values have your family passed down to you?

Develop Your Giving Plan

Developing a giving plan is crucial for ensuring that your charitable contributions are both meaningful and impactful.

By thoughtfully considering your intentions, the mission of the organization, and your donation amount and frequency, you can align your philanthropic efforts with your personal values and goals.

This structured approach not only helps you make informed decisions about where and how to give but also maximizes the positive effect of your donations.

Having a clear plan allows you to track your contributions over time, providing a sense of fulfillment and purpose as you see the tangible results of your generosity.

A well-developed giving plan empowers you to make a lasting difference in the causes you care about most.

Your Giving Plan

Organization:

Intention (Why do you wish to support this cause?):

Charitable mission (What does the organization do and how does it fit your goals?):

Donation amount:

Donation frequency:

Organization:

Intention (Why do you wish to support this cause?):

Charitable mission (What does the organization do and how does it fit your goals?):

Donation amount:

Donation frequency:

300 32nd Street, Suite 520
Virginia Beach, VA 23451
borzawealthmanagementgroup.com

(757) 417-1714
Michael.borza@raymondjames.com

(757) 417-1722
Austin.Storck@raymondjames.com

(757) 417-1716
Jenn.Cox@raymondjames.com