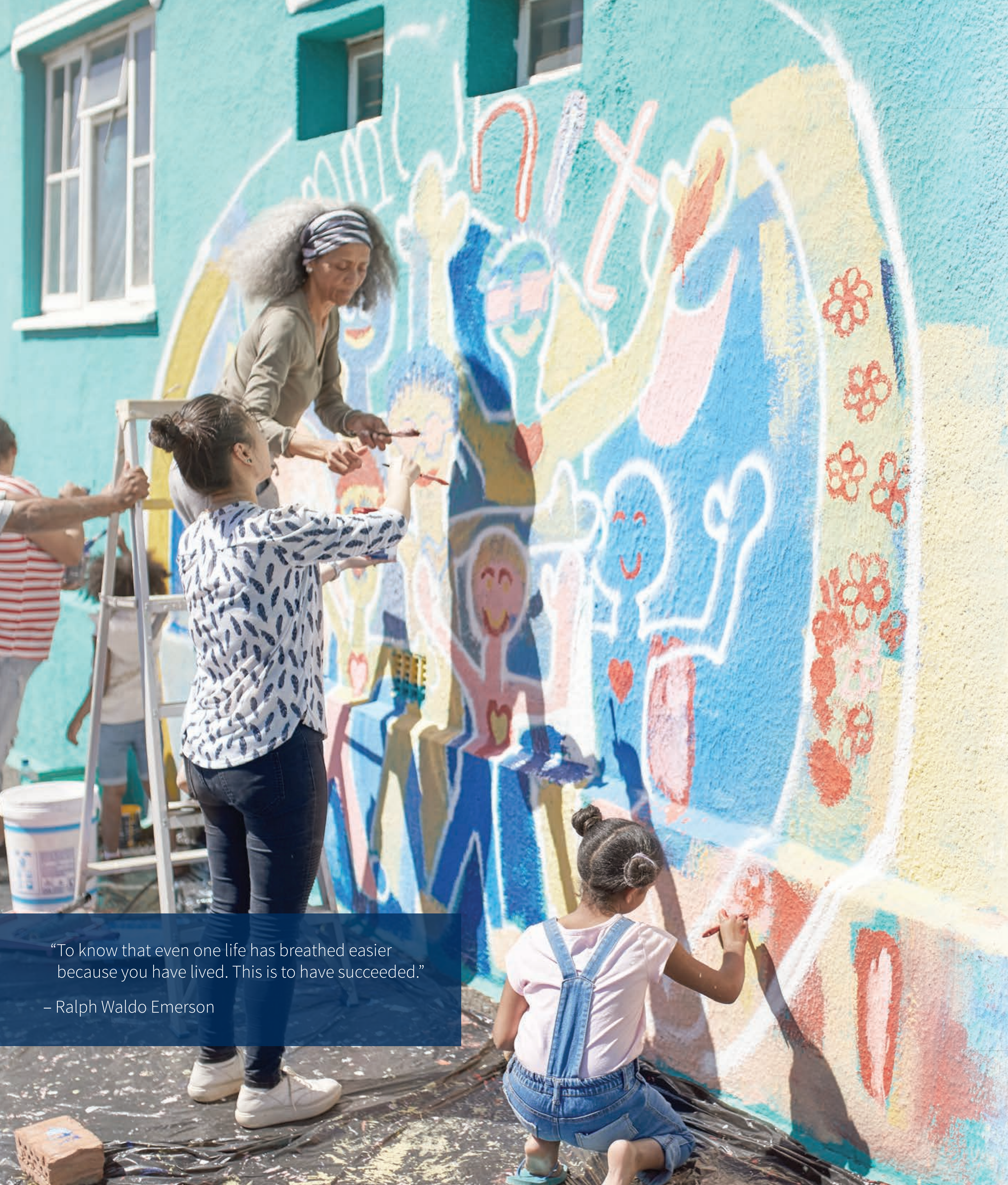
A PRACTICAL GUIDE TO GIVING

Whether you call it philanthropy, charitable giving or donating,
we help you make the most of your generosity.

RAYMOND JAMES



"To know that even one life has breathed easier because you have lived. This is to have succeeded."

– Ralph Waldo Emerson

There are many good reasons for giving. **What are yours?**

Making a difference. Helping those in need. Fulfilling a moral calling. One of life's greatest rewards is sharing your wealth with others, and it seems there are as many good reasons to give as there are ways to give. Perhaps you want to leave a lasting legacy or establish a family tradition of giving that can instill these values for generations to come. Maybe even save a little (or a lot) on taxes.

Whatever your inspiration, it's likely you'll get something out of it, too. Hope. A feeling of good will. A sense of community and common ground. A study conducted by researchers at the University of British Columbia and Harvard Business School found that "spending money on others promotes happiness more than spending money on oneself."

LET'S DEFINE YOUR GOALS. START BY ASKING YOURSELF THESE QUESTIONS.

When you come from a place of compassion, it's easy to be overwhelmed by possibility and potential. It may help to narrow your philanthropic focus in a way that makes the most of your generosity on behalf of causes you deeply care about. Think through these questions and let us know what impact you want to have, and we'll help you find the how that will get you there.

What timing do you have in mind for your giving? During your lifetime when you can see the impact firsthand or do you prefer larger gifts be included in your estate planning? What cause resonates with you, speaks to your personal values? Do you want to volunteer your time, money or both? What are your funding sources?

Your answers can help bring your charitable giving goals into clearer focus. And lead us on a path that fulfills your wishes for yourself, your family and your community.

BENEFITS OF GENEROSITY

- Decreases stress
- Lowers blood pressure
- Supports immune system
- Improves mental health
- Improves relationships
- Strengthens marriages
- Increases longevity

NOW LET'S MATCH YOUR GIVING STYLE WITH A GIVING STRATEGY

If you don't already have a philanthropic philosophy baked into your financial plan, you've got a lot of options – from simple to sophisticated – to help you give back and pay it forward. The focus should be on matching your giving goals and preferences with a strategy that makes sense for what you'd like to accomplish in your life as well as the lives of others.

▶ Flexibility/Simplicity
Like many, you may prefer the simplicity of directly giving cash or volunteering with an organization. Both give you a more direct relationship with a charity, and more flexibility in responding to immediate needs within your community. Setting up a donor advised fund* is also relatively easy. It allows you to advise how your donations will be distributed, receive a deduction when it is most tax efficient for you, and give to a variety of charities when it makes sense to distribute.

▶ Sophistication/Control
If you have ample means and seek a strategy to maximize your charitable impact, a private foundation may be the next step. While it requires legal setup, it offers more control, allowing you to fully immerse yourself in executing your giving strategies.

▶ Privacy/Anonymity
Donor advised fund gifts can include the donor's fund name, so your family can receive recognition if it wants, but they also provide a way to give anonymously because gifts into the fund are all that is reported on a tax return, not gifts made out of the fund.

▶ Versatility/Benefit Retention
Charitable remainder trusts enable you to fulfill your philanthropic intentions, provide income for you or your beneficiaries for an extended duration, and capitalize on immediate tax incentives. Charitable lead trusts help with tax relief today, while having the potential to keep an asset to benefit your beneficiary after you pass away.

▶ Collaboration/Family Involvement
Would you like to make giving a family affair? Setting up a private family foundation is one way to go, but it requires significant assets and responsibilities. Donor advised funds also offer a flexible way to help achieve your family's philanthropic mission. Your family can name the DAF and you can collaborate on creating a mission statement to serve as a north star when deciding where to direct your generosity. Consider naming your children, nieces or nephews as the successor advisors on your DAF so that after you pass away they may continue the tradition of giving in your family for years to come.

▶ Longevity/Legacy
Do you want your philanthropy to live on? How long? Several years? Forever? A private foundation can exist in perpetuity, creating an enduring family legacy, and the collaborative board structure encourages family engagement. A donor advised fund can also have successor advisors, or accommodate a legacy giving plan that names a percentage of the assets to be distributed annually in perpetuity at the donor advisor's passing.

Creating a family giving legacy and mission statement

We can help you create a family mission statement to serve as the guiding force of your giving efforts. It can outline your giving goals, identify the causes you believe in, and clarify each family member's role to keep everyone engaged and truly create your giving legacy.

Charity begins at home.
But how do you begin to give?

With so many options, each with its own benefits and considerations, you may wonder how to best start or continue a giving plan. We're here to help you get to the heart of the matter. What are the causes and organizations you want to support? Do you want to donate your time, money or both? Make a one-time donation or recurring contributions? We can help you find what feels right for you. And what does the most good. Once we have a solid idea of your giving goals, it's time to pay some attention to how to give.

THERE ARE MANY WAYS TO GIVE. WHICH IS RIGHT FOR YOU?

Giving cash is the most common strategy. We rarely think twice about donating to the Girl Scouts outside the grocery store or the Santa-clad bell ringers each holiday season. You may even be in the habit of writing a yearly check to the local pet shelter each December. But there are many other ways to fulfill your giving goals in a meaningful and impactful manner. It's just a matter of finding the best fit for your individual financial situation. Here are some robust strategies that can help you fulfill your philanthropic, financial and personal goals.

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.

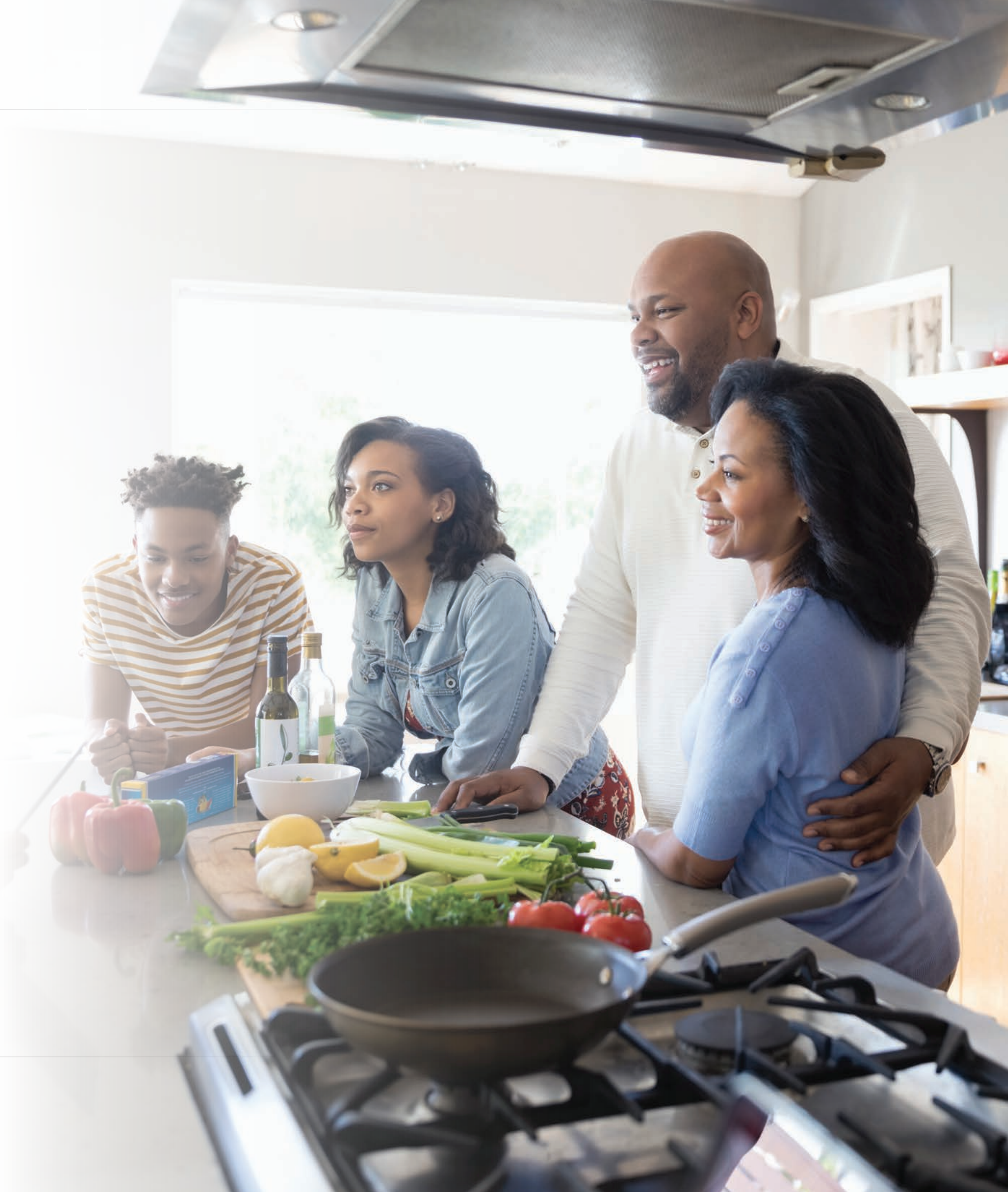
The opportunities for volunteers are endless, so chances are, you can find one that fits your interests. Do you like sports? Be a volunteer coach. Do you have a green thumb? Volunteer at a community garden. Are you handy with tools? Build houses for the homeless. The point is, you can fuel your passion as a volunteer.

THINKING BEYOND CASH

Besides cash, you can also donate long-term appreciated stock you've held for more than a year. Not only does your charity get to benefit from a valuable item, you also get to claim the fair market value as an itemized deduction and avoid paying the capital-gains tax that would result if you sold it and donated the cash. A simple, yet effective strategy.

Some other unique ways to plan your giving may include naming your favorite charity as the beneficiary of your insurance policy or IRA or even naming a donor advised fund as the beneficiary of these accounts or a charitable remainder trust.

You may also donate complex and illiquid assets such as private company stock, restricted stock, real estate, alternative investments or other long-term appreciated property. This requires more time and effort than donating marketable securities or cash, but it has distinct advantages. These assets often have a relatively low cost basis. In fact, for company founders, the cost basis of their private stock may effectively be zero. If this interests you, let's discuss the guidelines surrounding such a donation.



SIMPLIFYING YOUR GIVING WITH A DONOR ADVISED FUND (DAF)

Would you like a relatively simple way to make charitable donations that can also give you immediate tax benefits? Let's talk about creating a donor advised fund. It gives you a powerful say in how your charitable gifts are deployed. It offers many of the same benefits as private foundations, but is easy to set up and maintain.

A donor advised fund (DAF)* allows you to make contributions when it makes the most sense for your situation, be eligible to take an immediate tax deduction, invest the assets to potentially grow tax free, and then make grant recommendations on your own timetable for distributing the funds to other qualified charitable organizations. We can help you set up your DAF by working with Raymond James Charitable.

Advantages & Considerations

Donor advised funds provide a way to get a tax deduction now and give over a period of years. If you are selling a business or contending with large gains this year, you may consider a DAF as a way to offset potential taxation. There are IRS guidelines to consider regarding this. We can discuss it with you.

* 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.

How Charlotte created a lasting legacy

Charlotte wanted others to enjoy the experience at her beloved alma mater – to be inspired by the professors, make lifelong friends, open their eyes to the world of possibility. She created a donor advised fund to give to established scholarship programs that support deserving students, and named the school in her legacy giving plan to be the recipient upon her passing.

This is a hypothetical example for illustration purposes only and does not represent an actual investment.

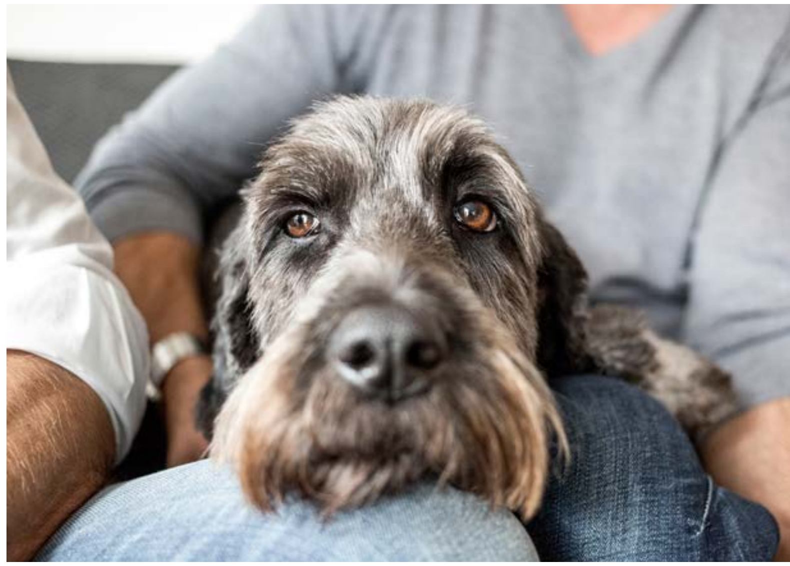
TRANSFORMING RMDs INTO QCDs

Many successful families have little need to rely on their required minimum distributions (RMDs) to maintain their quality of life in retirement, but they are – in fact – required, potentially triggering a taxable event. There is an option to put that money toward a higher purpose, if you're so inclined. For example, if you are at least age 70½, have an IRA, and plan to donate to charity this year, you can direct up to $100,000 in RMDs into a qualified charitable distribution (QCD) from your IRA. This amount can then be excluded from your reported income. Generally, this is more advantageous than taking a distribution from your IRA, paying the tax, and then getting a deduction for donating to charity.

Advantages & Considerations

Generally, QCDs may be useful in situations where the charitable deduction could not be fully utilized – either because your itemized deductions (including the charitable contribution) fall below the threshold of the standard deduction in the first place or because your charitable contribution is so large that it exceeds IRS contribution limits and must be carried forward.

In addition, certain charities are not eligible to receive QCDs, including DAFs and private foundations. While the rules may be complicated, it's worth exploring this option to determine if it makes sense for you, particularly from a tax perspective.



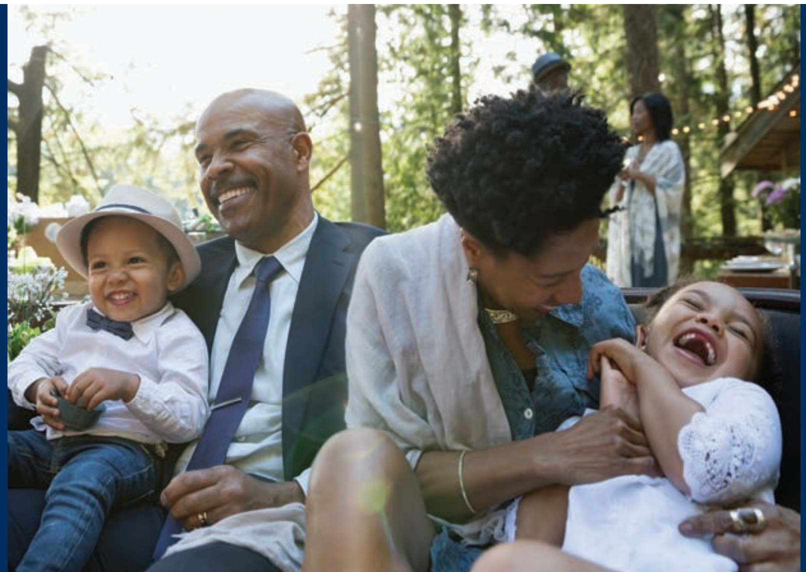
How Patrick and Aaron used an IRA to support their favorite charity

Lifelong dog lovers, Patrick and Aaron were thrilled to support their local animal shelter in a big way. In addition to volunteering at the shelter a few days a week, the retired IRA owners opted to each transfer $100,000 to a qualified charity through a qualified charitable distribution (QCD).Because it was done before satisfying their required minimum distribution, it counted toward part or all of their RMD.

This is a hypothetical example for illustration purposes only and does not represent an actual investment.

Bunching

A change in the tax law in 2018 nearly doubled the minimum standard deduction – and you can only deduct charitable contributions if you itemize. But by "bunching" your gifts for the next several years into one year, you can more easily meet the higher standard deduction. In particular, business owners may like the idea of bunching/giving into a private foundation or donor advised fund to help offset the gains from the sale of their business.



How George and Tina helped their church while reducing their taxes

With the minimum standard deduction for a couple now at $25,900 for 2022, George and Tina had a conundrum. If they gave any less to their church this year, they wouldn't receive a tax benefit. Our strategy? Moving $100,000 to a donor advised fund to "bunch" their donations over several years. Doing so would allow them to take a larger tax deduction based on their adjusted gross income and still make the $30,000 annual gift they typically give each year (and have the potential to grow their charitable dollars through prudent investing in the DAF).

This is a hypothetical example for illustration purposes only and does not represent an actual investment.

GENERATING AN INCOME SAFETY NET WITH A CHARITABLE REMAINDER OR LEAD TRUST

Giving is an act of hope, of love, for causes that ring true in the community you hold dear. However, many of us, no matter how confident we are in our financial plan, would like the funds earmarked for philanthropic efforts to serve another purpose – providing income for you or your beneficiaries. Two specialized vehicles allow you to do just that. An irrevocable charitable remainder trust (CRT), for example, can generate an income stream for donors and other beneficiaries you name, with the remainder (thus the name) of the donated assets going to your designated charity after you pass away. A charitable lead trust (CLT) is similar, but the charity receives the income first for a set period and then your heirs receive the rest.

Advantages & Considerations

A charitable remainder trust can give you steady income during your lifetime, then give your designated charity the remainder upon your death. As with any type of deductible charitable gift, you can use charitable trusts as a way to offset gains from the sale of stock with a low-cost basis, an inheritance, or the sale of real estate or a business.

How Susan accomplished her goals for both saving and giving

Susan wanted part of her estate to fund research on breast cancer, which unfortunately runs in her family, but she was reluctant to sacrifice her vision for retirement, and she didn't want to forgo a sizeable inheritance for her children. Instead, Susan opted to establish charitable trusts that support her charities and her children. The funds in each trust would remain invested while she was alive and grow tax-deferred. The tax savings she could experience from her now smaller estate would help her toward her retirement goal.

This is a hypothetical example for illustration purposes only and does not represent an actual investment.

How one couple made charitable giving a family affair

Gloria and Jose were successful entrepreneurs who wanted to teach their three children about the importance of giving back. They wanted to have their family involved in running a charity so they could create more awareness for the causes they care most about, so we worked with them to establish their private family foundation. This family also had an interest in helping specific people in need and providing scholarship grants to individuals they name. (This is not an option for funds in a DAF.)

This is a hypothetical example for illustration purposes only and does not represent an actual investment.

FORMALIZING GIVING THROUGH A PRIVATE FOUNDATION

Now back to that question of control over your philanthropic decisions. Would you prefer to have ultimate say over your charitable giving assets, processes and decisions? Then setting up a private family foundation may be exactly what you're looking for.

Unlike a public charity, a private foundation makes donations, called grants, to other charities – and the choices are up to you (with some restrictions). It usually does not conduct its own charitable operations, however, it's important to note that the activities of a private foundation must benefit the public in order to maintain tax-exempt status.

Advantages & Considerations

Depending on your level of wealth, private foundations may be a good option. You would have more control with a foundation, but more control can also mean higher administrative costs. You'll need to have a board to help govern the foundation, and keep records of the board's meetings and giving activities. Private foundations can use their assets to pay staff or fees related to running the foundation. You must make grants worth at least 5% of the foundation's investment assets each year, and grants should be made to other nonprofits (under some circumstances and with proper documentation, it may be possible to make grants to individuals). Another thing to note? There's a 1% to 2% excise tax on the organization's investment assets. Other IRS restrictions apply, so you must be sure you receive the guidance you need to comply.

Combining giving strategies

It's possible that any one strategy won't be enough to accomplish everything you want to do with your generous giving, so it may make sense to start a conversation about combining these strategies. Strategic use of various vehicles could maximize the effect on your philanthropic causes as well as lower your tax obligations. For example, you could fund a donor advised fund for a period of years (maximize the amount you can use with your five-year carry forward); then switch to gifting to charities using QCDs for a period of time. You could also combine a CRT with a DAF, making the CRT flexible by naming the DAF as the beneficiary. Otherwise you could need to involve an attorney if you want to change the name of the charity receiving the remainder in the future.

Giving back and paying it forward

The reasons people give are much the same as they've always been. According to a study conducted by Indiana University's Center on Philanthropy, 62% of high-net-worth donors cited giving back to the community as their chief motivation. There are more practical factors at work as well, like setting an example for younger generations, establishing a charitable legacy and maximizing tax benefits, but altruistic motives are cited as the most important.

Philosophical motivators:

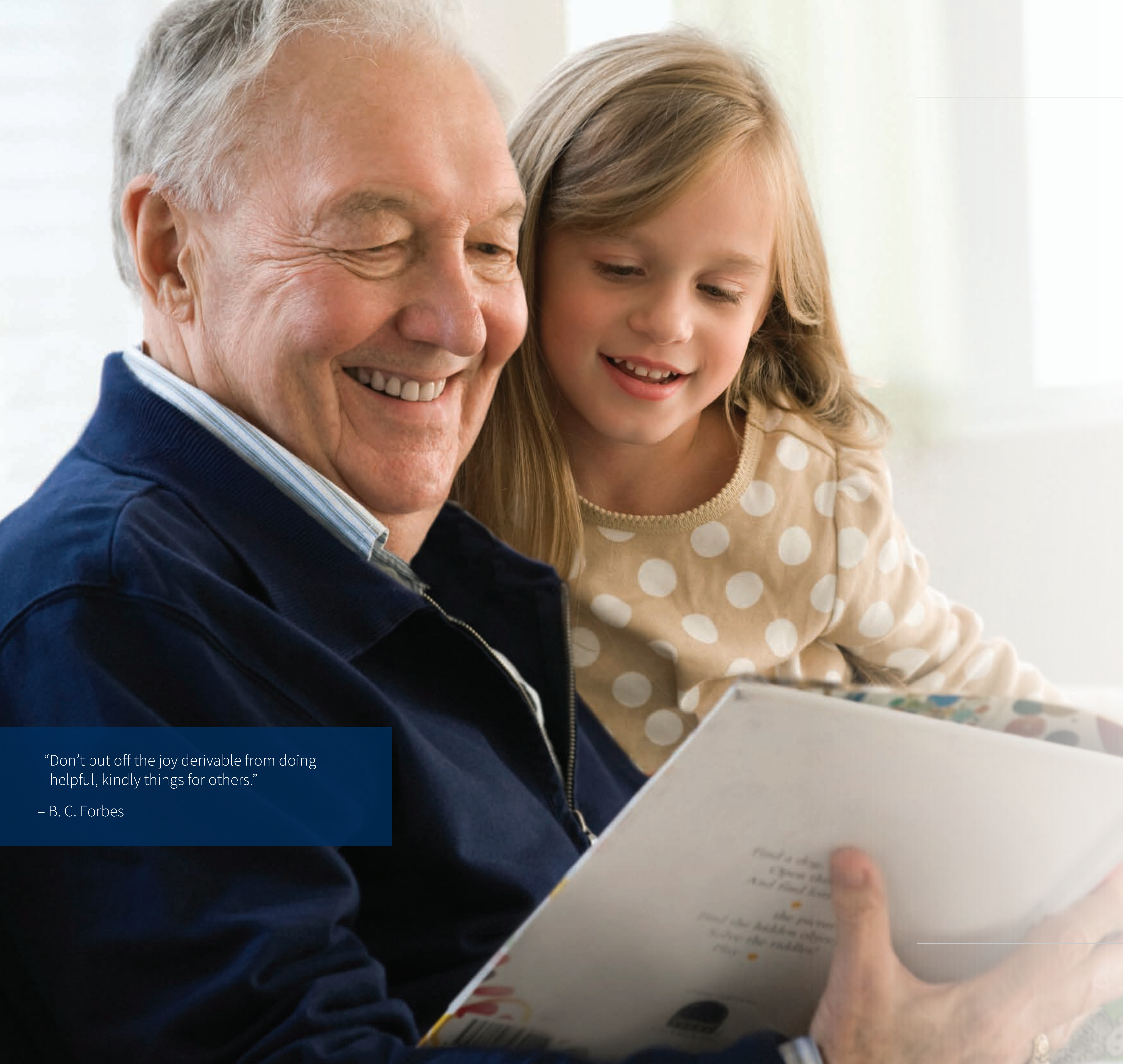
- Your personal philanthropic philosophy
- Leaving a legacy
- A sense of moral duty

Financial motivators:

- Tax mitigation
- Asset management
- Estate planning

"We make a living by what we get. We make a life by what we give."

– Winston Churchill



> "Don't put off the joy derivable from doing helpful, kindly things for others."
>
> – B. C. Forbes

Charitable giving is easier when **you're given good advice**

The rules for using any particular giving strategy can be complex, so it pays to have a knowledgeable guide to help you navigate the details.

That's where we come in. Working in conjunction with your accountant or estate attorney, let's collaborate to help make the most of your intentions, generosity and compassion – while advancing your financial goals. That way you can focus on what truly matters: making an enduring, meaningful difference.

Raymond James and its advisors do not offer tax or legal advice. You should discuss any tax or legal matters with the appropriate professional.

LIFE WELL PLANNED.

RAYMOND JAMES®

INTERNATIONAL HEADQUARTERS: THE RAYMOND JAMES FINANCIAL CENTER
880 CARILLON PARKWAY // ST. PETERSBURG, FL 33716 // 800.248.8863
RAYMONDJAMES.COM