

## Understanding Charitable Giving

A guide for implementing charitable giving strategies in your estate planning process.

While everyone knows that the only certainties in this world are death and taxes, the nuances of taxation are not commonly understood. If you have ever thought about philanthropy, but wondered how you could best implement charitable giving as part of your estate plan, then this article will be useful for you. It will address topics such as the benefits of donating appreciated assets to a charity and the use of donor-advised gifting strategies.

Properly designed charitable giving strategies allow you to donate various kinds of property including cash, stocks, real estate and life insurance to charitable organizations of your choosing and may also provide significant tax advantages for you. Current uncertainties within the tax system complicate the ramifications of any charitable giving plan, and it is suggested that you consult with a knowledgeable attorney to best plan your strategy if you choose to become a donor.

### What is Charitable Giving?

Quite simply, charitable giving implies a donation from you to an organization of your choice. Charitable gifts serve as an investment in your community, the nation, and the world. Your donation can be of almost any type; clothes, food, money, or even property to any entity to qualify under this definition. In order to take advantage of some of the donor tax benefits that exist, there are strict rules that govern the types of gifts you can make and the organizations that can receive them. For instance, the IRS generally restricts an income tax deductible charitable contribution to one where: (1) the donor does not receive an expected benefit from the contribution; (2) the contribution meets substantiation requirements; (3) the contribution is to or for the use of a qualified charitable organization; and (4) the amount of the contribution falls within the applicable statutory ceilings. Such rules add a layer of complexity to an otherwise simple to understand concept.

Note: Giving to an organization that is “tax exempt” does not necessarily result in any tax advantage for the donor. This designation simply means the organization does not have to pay taxes. The Internal Revenue Code defines more than 20 different categories of tax exempt organizations, but contributions to only a few of them may actually be tax deductible by the taxpayer. Principal among these “tax deductible” groups is the 501(c)(3) category, used by many charitable organizations.

### **Why contemplate Charitable Giving at all?**

People make charitable gifts for many different reasons. Preserving a legacy, becoming a patron of the arts, or benefiting a worthy cause are some of the more common reasons, but the tax code also influences gifting by affecting both the “cost” (relative to other possible uses for the money) and the amount of resources available to individuals to give. Provisions within both the individual income tax and the estate tax affect both factors. Nevertheless, donors typically give because they relate to an organization’s mission and goals. Achieving tax benefits are usually a secondary motivation.

### **Donative Intent**

If you have no interest in benefiting a charitable organization, then you would likely to be interested in making a charitable gift. This is because even in the best circumstances the amount of tax benefits for making a donation never balance the actual monetary value of the gift made. Thus, taxpayers contemplating a charitable giving strategy must accept that there will be some opportunity cost lost in making a gift, but that they are serving as philanthropists.

Note: Suppose a donor gives \$12,000 to a charitable organization and gets a \$2,000 income tax deduction. The relative “cost” of the gift will then be \$10,000, but it won’t leave the donor financially ahead of the game at the end of the year. It costs money to give money.

### **Maximize benefit to Charity and Beneficiary**

Besides affecting the relative cost of giving, both the income and estate taxes affect how much taxpayers have to give. The lower the level of taxes, the more after-tax income or wealth there will be available to give to charity or leave to heirs. A well thought out charitable giving plan can maximize the value to both a charitable beneficiary and your heirs. Highly appreciated assets that would otherwise require large capital gains payments if sold by you can be donated to a charitable entity preserving their full value, providing you with a charitable income tax deduction and reducing the size of your taxable estate. Some of the more complex charitable

planning techniques allow your gift to be made to charity in trust, such that illiquid property that does not generate income could be used to provide a donor with a significant increase in income during life, while providing the charity of your choice with a greatly enhanced gift, as capital gains would be eliminated. Other strategies can provide your designated beneficiaries with annuity payments for life with property that might otherwise be subject to high capital gains taxes.

### **Income Tax Benefit**

Generally, taxpayers are subject to federal income tax on their adjusted gross income, though they are afforded a deduction for charitable contributions to qualified organizations if they itemize deductions. Typically, gifts of less than a total interest in property do not qualify for the deduction. Any available charitable income tax deduction is codified in the Internal Revenue Code, which identifies specific requirements that must be met in order for the taxpayer to receive the benefit of a charitable deduction. These rules control the types of gifts recognized, the charitable organizations recognized by the IRS, the types of property that may be gifted, as well as limitations on deductibility. The code also imposes tax on income earned by trusts and estates, with corresponding charitable deductions available to the taxpayer for any amount paid out for charitable purposes.

Note: Taxpayers are often surprised the law does not allow a deduction for the full amount of their charitable contribution. The federal rules impose a percentage limitation on the deductibility of a charitable gift based upon the tax classification of the charitable organization and the type of property donated. Contributions in excess of the allowable limit may be carried over and deducted for 5 years following the year the gift is made.

### **Reducing Taxable Estate**

In contrast to the charitable income tax rules limiting deductions to a percentage of the individual taxpayer's adjusted taxable income, estate tax rules do not have such limits. The code allows an estate tax deduction for the full value of charitable transfers included in a decedent's estate provided that the value is ascertainable at the time of decedent's death. The reduction effectively lowers the cost of the charitable bequest in terms of what heirs receive.

Note: Estate and gift tax charitable deductions are allowed for a dissimilar set of organizations than afforded for donees of income tax charitable deductions. Be sure to check with your attorney about whether your deferred giving is to a recognized charity.

### **Permanently or temporarily remove Income from Estate**

Some of the more complex charitable giving strategies also allow a donor to remove source of income from their estate either permanently or temporarily. If the removal is temporary, as allowed in the Charitable Lead Trust discussed in more detail below, this benefit assists taxpayers in a higher income tax bracket by lessening their yearly income tax payments, allowing for an immediate income tax deduction, and reducing gift and estate taxes. Where an asset is permanently removed from the estate, a corresponding estate tax savings is found.

### **What are the common implementations of Charitable Giving Strategies?**

Typically, charitable gifts fall into two broad categories: outright gifts and deferred gifts. An outright gift is an immediate contribution made to benefit a charity, which is beyond the donor's reach, at the charitable organization's disposal, and where the donor retains no further interest in the property given. A deferred gift, sometimes known as a planned gift or partial-interest gift, exists in various forms: (1) A donor leaves property through bequest in their will or living trust; (2) A donor makes a designation in their retirement plan or life insurance policy to benefit a charitable organization after death; (3) A donor makes an irrevocable commitment to pass property to a charity, but that transfer is deferred until the death of a stated beneficiary or time lapse occurs; or (4) A donor makes an irrevocable commitment to pass property temporarily to a charity in trust, though the property returns to a non-charitable entity after the death of a stated beneficiary or a time lapse occurs. The two latter forms of deferred gifts inexorably create a benefit to both charitable and noncharitable beneficiaries, and are therefore considered split-interest gifts. Typically, splitinterest gifts will not receive recognition as a deductible charitable donation unless the gift is made in strict accordance with applicable code provisions.

### **Outright Gifts**

Not surprisingly, outright gifts are probably the easiest for the donor to make, often requiring no assistance from legal counsel or planned giving officers. Several types of outright gifts exist including both gifts of cash, ordinary income property and capital gain property. Cash gifts are easiest to make.

### **Ordinary Income Property**

In general, ordinary income property donations are those gifts that would not produce longterm capital gain if sold for fair market value. They include such things as capital assets held for 1 year or less, property used in business, art, manuscripts, tangible personal property and certain real property. Ordinary income property gifted

to a charity essentially requires the donor to take a deduction for this type of property at its cost basis, which can be substantially lower than fair market value in some cases.

### **Appreciated Capital Assets**

Donating appreciated capital assets can provide a double benefit to the taxpayer. Capital assets are those assets which would produce long-term capital gains if the taxpayer sells them. Two common examples of capital assets are publicly traded securities and real estate investment properties. The double benefit of donating appreciated capital assets can prove a valuable tool for tax planning.

The first benefit is that a taxpayer may claim as a deduction the current fair market value of the donated property, subject to income tax deduction limits. This is true regardless of the taxpayer's basis in the property, which can prove very useful when dealing with appreciated property. For example, assume that five years ago Joe purchased some publicly-traded shares of XYZ Corporation for \$10,000. Today those stocks are worth \$60,000. Joe wants to reduce his current year tax liability. If he donates the XYZ stock today, the current fair market value of the stock (\$60,000) is the value of Joe's donation, even though he only paid \$10,000 for the stock. Assuming Joe is able to deduct the entire amount of his donation, he would have a \$60,000 deduction.

The second benefit in donating appreciated long-term capital assets comes in the form of unrecognized capital gains. Normally, upon the sale of a long-term capital asset the taxpayer pays taxes on his or her long-term capital gains. Although capital gains are taxed at a different rate than normal income, the gains are still taxed. These capital gains represent the appreciated value of the asset less the taxpayer's basis in the asset. But when the taxpayer donates appreciated long-term capital assets to a qualified organization, the taxpayer need not recognize any capital gain on the transfer. Let us return to our earlier example of the appreciated XYZ Corporation stock. The basis for the stock is \$10,000 and the fair market value is \$60,000. If Joe sells the stock in an arm's-length transaction to Suzie, for \$60,000, Joe must recognize \$50,000 of gain. This \$50,000 gain will be taxed at the long-term capital gains rate. But if Joe donates the stock to a qualified organization, he does not need to recognize any gain at all on the stock. Even though the value of the gift is \$60,000, Joe recognizes no taxable gains.

Keep in mind that in making a charitable gift, you give up your entire ownership interest in the property. You should not simply make a gift and expect to reap tax benefits. A successful capital asset gift often requires careful planning to ensure that your finances actually receive your hoped-for tax benefit. You should always

remember that in order to get the tax benefit of such a donation, *you still lose something in the donation* – your donated property. If your finances cannot cope with the loss of the donated property, you should not make the donation.

## **Deferred Gifts**

### **Provision in Will – A Bequest**

A charitable bequest can be viewed as essentially cash or property donated at your death to a charitable organization. Donors can create a bequest by putting a paragraph of instructions in their will. At the end of the donors' lives, the designated nonprofits receive these gifts as specified. The bequest has many advantages for individuals who choose to give at the end of their lives. For many, the most important factor is that a bequest allows them to retain their assets until the end of their lives—ensuring funds availability should they need these assets to meet unexpected family needs, health problems, or other unpredictable life events. Donors also like the bequest because it can be kept confidential. Many donors like the idea that they can easily change their bequests should their interest change at some point in the future. Additionally, bequest by will is an effective way to reduce estate taxes. This option works for any amount of money, be it thousands or millions.

### **Life Insurance:**

There are several ways to make gifts using life insurance policies. Designating a charitable organization as beneficiary of a policy will not afford a donor any current tax deduction; although on death the insurance benefits will be included in the donor's gross estate but qualify for the estate tax charitable deduction. Conversely, if set up properly, a life insurance policy that names the charitable organization as owner can provide immediate tax advantages for a donor and a lump-sum, income tax-free benefit for their favorite charity or cause when they die. In the latter situation, life insurance offers a unique way to leverage relatively modest annual payments sufficient to pay the annual premiums into a sizable charitable gift. Giving in this way limits current outlay for the donor to a small deductible annual gift. A donor can even leverage this current gift by donating highly appreciated assets, such as stocks or mutual funds, to pay these premiums, thus giving the donor an income tax deduction and allowing the charity to sell these assets without paying capital gains taxes. The death benefit of the policy may provide enough money to the charity at death to finance a permanent research project, "chair," or an endowment for the charity's cause.

### **Qualified Retirement Assets:**

As with most aspects of charitable giving, the tax law affecting qualified retirement assets is often changing and requires that a donor consult with an experienced tax planning attorney regularly to take advantage of the most recent law. Retirement assets, including those of Profit Sharing Plans, 401(k) Plans, Keogh Plans, IRA or other tax-deferred retirement plans may be subject to extensive taxes at death. A donor should consider the federal estate taxes and state death taxes, the federal and state income taxes charged to recipients of any distributions from plan assets, as well as potential generation skipping transfer tax implications. In many cases, a charitable organization named as beneficiary of retirement plan assets will be able to escape all estate and income taxes at the donor's death, resulting in a larger gift with less cost to the donor's estate. As a result, designating a charitable organization as beneficiary may allow more retirement assets to be passed on according to a donor's wishes than otherwise would be possible. Under the Pension Protection Act of 2006, changes to the tax law significantly affected a donor's ability to use retirement assets in their charitable giving plans. For instance, the act permits individuals age 70½ and above to make charitable donations of up to \$100,000 from traditional Individual Retirement Accounts (IRAs) and Roth IRAs without having to count the distributions as taxable income. This opportunity, considered a "qualified charitable distribution" or "IRA charitable rollover" currently exists only for the taxable years 2006 and 2007 and requires strict adherence to the particulars of the act.

## **Trusts**

Gifts in trust are among the most complex charitable giving strategies, but provide sophisticated donors with options that do not otherwise exist.

### **Charitable Remainder trust**

A Charitable Remainder Trust ("CRT") is a general classification for a type of charitable giving vehicle that satisfies requirements of either a Charitable Remainder Annuity Trust ("CRAT") or Charitable Remainder Uni-trust ("CRUT"). Generally, a CRT must meet strict statutory requirements in order to qualify to receive deductible contributions. A CRT is created when the donor transfers assets to the trust for either a period of years not greater than 20, or a beneficiary lifetime, leaving any remainder interest to a qualified charitable organization and selecting a beneficiary for trust payments. The CRT must have a charitable remainder value on creation of at least 10 percent of the fair market value of the initial property used to fund the trust ("corpus"). The donor receives a charitable income and gift tax deduction based on the present value of the remainder interest to the charity. Trust payments provide income to the non-charitable beneficiary.

Note: The major differences between a CRAT and CRUT are in the mechanism for determining the lifetime beneficiary payment. A CRAT provides an income beneficiary a fixed payment of a specified amount for the life of the trust. A CRUT specifies that an income beneficiary is to receive an annual payment determined by revaluation of the net fair market value of the trust assets annually. Further, a CRUT allows additional contributions to be made whereas a CRAT does not.

### **Charitable Lead trust**

A Charitable Lead Trust (“CLT”) is a general classification for a type of charitable giving vehicle that satisfies requirements of either a Charitable Lead Annuity Trust (“CLAT”) or Charitable Lead Uni-trust (“CLUT”). A CLT is an irrevocable trust created when a donor transfers assets to the trust for either a period of years, or a beneficiary lifetime, leaving any remainder interest to a non-charitable entity and selecting a charitable beneficiary for trust payments during the trust term. At the end of the term, the assets either revert to the donor or pass to other persons (typically family members). Just as for a CRT, a CLT must meet strict statutory requirements in order to qualify to receive deductible contributions. Depending upon how the CLT is structured, the donor may receive an income tax charitable deduction for trust contributions. For a grantor trust, the donor will receive a charitable income tax deduction, but will also be taxed on trust income. For a nongrantor trust, the donor will not receive a charitable deduction for income tax purposes, though trust income will not be allocated to the grantor during the trust period. On creating a qualified CLT, a gift or estate tax charitable deduction for the present value of the income interest is also allowed. There are several benefits to gift planning through use of a CLT. Primarily, a CLT is used by a donor to create a deferred gift to family while reducing gift and estate taxes for the gift. Where the actuarial value of the charitable interest is equivalent to value of the settlor’s initial gift amount, a transfer can be created virtually free of transfer tax. Furthermore, during the trust period, the CLT earns income tax deferred interest, which may add to the value of the corpus passing to non-charitable beneficiaries at the end of the trust period. A CLT similarly reduces income taxes for the donor who creates a nongrantor trust since property is removed from their estate in the short term. Finally, the CLT allows a donor to immediately benefit a charity with a gift, while retaining a remainder interest to family.

Note: Similar in design to the forms of a CRT, a CLAT pays out an annuity amount to the beneficiary, while a CLUT pays out a Uni-trust amount to the beneficiary. There is no limit, however, on the number of years for the term of the CLT.

### **Charitable Gift Annuities**

A Charitable Gift Annuity (“CGA”) is a contract created between a donor and charity whereby the donor transfers property to the charity in exchange for a promise to make payments to one or more designated beneficiaries for the life of one or two annuitants. The CGA is a split-interest gift since the non-charitable beneficiary receives a lifetime payment with the remainder going to the charitable organization. Almost any asset can be used in creation of a CGA. In California, gift annuities are only authorized for charities that have been licensed by the California Department of Insurance. A charitable income tax deduction is afforded the donor equal to the difference between the value of the donated property, and the value of the annuity. A CGA can also be created in testamentary fashion, thus providing an estate tax charitable deduction for the taxpayer. The value of the gift to the charity also qualifies for a gift tax charitable deduction. Gift tax consequences may occur when the beneficiary recipient of the CGA is an individual other than the donor or their spouse. In this situation, the donor can avoid gift tax by retaining the right to revoke the annuitant’s interest. This option would, however, result in the annuity being included in the donor’s estate at death.

Generally, the advantage of a gift annuity is that the payment is fixed, and is contractually guaranteed by the organization. As opposed to a CRT, for a CGA the value of the trust principal becomes irrelevant to the donor since the beneficiary is guaranteed a fixed rate of return regardless of market conditions. Unlike a trust, a CGA is inexpensive to set up. The CGA also offers an advantage of the yearly payment being part ordinary income and part return of principal for a period of time. A portion of each annuity payment is treated as a return of the original investment, therefore a portion of the income generated by the annuity is considered tax-exempt until the total amount of the original investment is paid back.

### **Other strategies**

In addition to the strategies already discussed, there are a multitude of other options to consider. Some of the more common are revealed below.

#### **Pooled income fund**

Run by a charity, a Pooled Income Fund (“PIF”) commingles money or securities from several donors into one investment account. Each donor or their survivor in interest is allocated a pro rata share of the PIF earnings each year for their life, and is taxed on the earnings as ordinary income. Upon the donor’s death, the charity removes those pro rata assets from the fund. The amount distributed to these interests will fluctuate yearly based on the funds performance. For income tax purposes, the donor is allowed a charitable deduction for the value of the remainder

interest as determined by IRS actuarial tables. A gift or estate tax deduction is also allowed.

A PIF is often times an easier vehicle for a donor to make when considering a charitable contribution since there are minimal legal costs then with a trust. Additionally, since many donors contribute to one PIF, administration costs are lower and the commingling gives a large investment pool and diversity to the account. Additionally, the fund assumes the donor's basis for securities, and there is therefore no capital gain to the donor or the fund when the long-term assets are eventually sold. A PIF is also a good option for many donors because additional contributions are allowed. Conversely, however only one charitable beneficiary is allowed for a PIF and the type of property used to fund the PIF is limited. Furthermore, a PIF cannot be created for a term of years.

### **Retained Life Estate**

From a donor's viewpoint, a gift of a remainder interest in their personal residence or farm can provide both an income tax advantage, and an alternative to the possible emotional traumas associated with a lifetime sale of their property. A charitable gift of this type provides the taxpayer with a lifetime interest in their property while securing an income tax charitable deduction in the year the gift is made equal to the present value of the charitable organization's remainder interest in the property. In this gifting situation, the donor may select a lifetime interest for someone other than themselves. The donor or other interested party may continue to occupy the residence for the duration of the qualifying life, and the charitable organization will not gain possession of the farm or residence until termination of the retained life estate. This gift strategy is available for second homes or vacation homes as the residence need not be the donor's principle residence. There are some disadvantages to this form of gift, as the charitable organization will typically take possession of the deed, and the lifetime resident is typically contractually required to pay for maintenance, real estate taxes and any indebtedness relating to the property according to the agreement. Such a gift in effect may restrict the ability of the donor to move to another location without making changes to the agreement. Fortunately, the code does allow a donor to contribute their remaining life estate to charity, thus effectively providing a donor ready to move with the ability to accelerate their gift and receive an additional charitable tax deduction.

### **Foundations & Donor advised funds**

Several types of foundations exist, the two most common are private foundations and community foundations. Both are independent non-profit corporations governed by a board of directors, and both types make grants from a permanent

invested endowment. Community foundations are focused on specific geographic areas (most often a given city), and typically have smaller endowments of their own but also manage donor-directed funds that are restricted to specific individual causes or issues.

A very useful vehicle for donating appreciated capital assets is provided by the donor-advised fund. In a donor-advised fund, the taxpayer donates property to a charitable organization. The organization owns the property but allows the taxpayer to direct how, when, and to which charities it should distribute the donation. Many large institutions, like universities and museums, set up companion foundations to operate donor-advised funds, although some organizations act independently, like the Sacramento Region Community Foundation. In either case, the organization operating the donor-advised fund generally takes care of recordkeeping and investment management of your donation.

Essentially, in a donor-advised fund the taxpayer donates to a single qualified organization which in turn redistributes the taxpayer's charitable donation to other qualified organizations. This can be useful if the taxpayer wants to get the immediate tax deduction for his or her donation but still have a voice in how later distributions should be made. If it is used and run properly, a donor-advised fund can allow the taxpayer great latitude in making donations over a period of time. For instance, if you wish to donate property today but remain unsure as to which charity should ultimately receive your property, you may donate to a donor-advised fund today and direct the property to the final recipient at a later time.

Donor-advised funds have grown in popularity over the last several years, which has resulted in increased scrutiny of these funds by the IRS. The IRS has specifically stated that some donor-advised funds will not be recognized as deductible under Internal Revenue Code section 170. See Headliner Volume 88, *Abusive "Donor Advised Fund" Arrangements*, June 25, 2004. First, in order to qualify for deduction, the qualifying organization which runs the donor-advised fund and owns the property must operate as an Internal Revenue Code Section 501(c)(3) non-profit organization. If it is not, then the IRS will seek to tax the property you have donated. Second, in donating the property to the donor-advised fund, the taxpayer must actually give up all rights and powers in the property; in other words, it must be an actual gift, not just a nominal gift. If the taxpayer retains the actual right to direct or retain the property, the gift has not been completed. This means that upon donation to the donor-advised fund, the taxpayer does not have any actual power to direct the fund in its distributions. Instead, the taxpayer must rely upon the organization running the donoradvised fund to honor the taxpayer's wishes regarding the donations. It can frustrate the taxpayer's good intentions if, after making a donation, the donor-

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advised fund refuses to respect the taxpayer's wishes about the distribution of the property.

If used to create a separate donor advised fund, any donation made by a taxpayer is not deductible if the taxpayer expects the donation to benefit him or herself or one of the taxpayer's family members or relatives. As far as the IRS is concerned, if you still receive the benefit of your donation, then you have not really given anything up and thus have not made a "gift." The donor-advised fund may be set up in your name (ex. the "Joe Smith Donor- Advised Fund"), but you should ask the charitable organization whether the donor advised fund will be set up to specifically benefit you or your relatives. If it will be, the IRS may void any deduction you claim for the property given to the donor-advised fund and will tax you on the value of your donation. Donors can also choose successors to advise on investments and recommend grants after their death.

### **Family Foundations**

A private foundation whose funds are derived from member(s) of a single family, and family members serve as officers or board members of the foundation and still control grantmaking decisions. Some family foundations eventually transition to being freestanding self-perpetuating private institutions not controlled by a single family. A family foundation is a separate financial entity established to hold, manage and distribute gifted assets. It is perhaps the most complex means of giving, somewhat akin to managing a small business. It lets the donor establish a legacy that will remain in perpetuity. People also set up foundations to provide a learning and relationship-building experience for family members. Some donors like the fact that the family foundation lets them retain a high degree of administrative control, but others may not enjoy that level of involvement.

### **How the Burton Law Firm works with you to implement your chosen strategy**

Our Firm takes great pride in helping our clients select the best estate planning strategies to meet their needs. We are dedicated to providing quality over quantity.

### **Compassionate Counseling**

We will assist you in discussing potential gifting strategies and help guide you in making the decision you feel most comfortable with. Our staff is well trained in the issues that commonly face those working on making their charitable estate planning decisions and from your first consultation you will find we are always happy to help you think through a proposed plan.

### **Suggested Estate Planning Package**

Generally, Charitable Giving strategies are a component of the more complex estate planning we offer clients and are not offered as part of our standard packages. For those clients who come to us with charitable intent, we will work with you to mutually agree upon a Charitable Giving strategy that best fits your needs. Our services are generally hourly and we will always provide you with your costs upfront.

### **Implementation**

Once you have agreed upon the strategy, you can rest assured that we will work with you to make sure the finished estate planning product will meet your needs. Our office will begin the drafting process, which may take some time, as we will likely need to gather information from you and the charitable institution you have decided to make a gift to. Some of the more complex charitable giving plans (for instance, charitable gift annuities) require approval from the charitable institution and we will work to shepherd your plan through their system. Our office will continue to stay in touch with you regarding your charitable giving plans but hopefully this article has shed some light on some specific aspects of the United States tax system that you can use to reduce your income tax liability. This will help ensure that you follow the applicable guidelines relating to donations and do not risk losing potential tax benefits.

### **Further Reading:**

Jeb Burton, The Burton Law Firm, *Understanding Charitable Giving*, (available at [http://www.lawburton.com/Charitable\\_Giving.pdf](http://www.lawburton.com/Charitable_Giving.pdf)).

IRS Publication 526: Charitable Contributions.

IRS Publication 78: Cumulative List of Organizations Described in Section 170(c) of the Internal Revenue Code of 1986.

IRS Publication 561: Determining the Value of Donated Property.

Federal Trade Commission, Bureau of Consumer Protection, Office of Consumer and Business Education, *Charitable Donations: Give or Take?*, May 2003 (available at <http://www.ftc.gov/bcp/menus/consumer/phone/charities.shtml>).