

Psst: Don't forget about charitable gift annuities



Certain charitable clients may wish to structure a gift to charity so that the client retains a lifetime income stream. Keep in mind that a charitable gift annuity (“CGA”) could be an attractive option for these clients. Plus, if the client is 70 ½ or older, the client can take advantage of the one-time [Legacy IRA](#) opportunity to give \$53,000 to a qualified charity such as an unrestricted or field-of-interest fund at the Community Foundation.

A CGA, like any other annuity, is a contract. Your client agrees to make an irrevocable transfer of cash or assets to a charitable organization. In return, the charitable organization agrees to pay the client (or a designated beneficiary such as a spouse) a fixed payment for life. Your client is eligible for an immediate income tax deduction for the present value of the future amount passing to charity.

The team at the Community Foundation can help you stay up-to-date on the latest CGA rate changes (including the [rates](#) that took effect at the beginning of this year). We’ll work with you to evaluate whether and when a CGA is a good planning move for your client.

Your clients who own highly-appreciated works of art certainly can consider making gifts of this property to a charity. Use caution, though, when helping clients structure gifts of artwork. To be eligible for a charitable deduction at fair market value, the nonprofit recipient’s use of the donated artwork must meet certain [qualifications](#), in that the artwork has to be used for its charitable purpose (think art museums). On top of that, be wary of [techniques](#) that recently have

come under severe IRS [scrutiny](#) and have been determined to circumvent the rules for tax deductions.