

GIVING

# Divine economics

BY ARLENE KNOX

Planned Giving Officer,  
Southwest Florida Community Foundation

Have you ever experienced a financial crisis and then suddenly received an unexpected gift to pay for the expense? I am talking about those times when your car breaks down or when the washing machine floods the laundry room. After the initial shock wears off, reality sinks in that you actually have to pay for the repairs.

And then something else happens: A check comes in the mail from the IRS delivering a forgotten rebate. You find a \$100 bill tucked away in a wallet. You win the 50/50 raffle at Rotary.

Coincidence, chance, or divine economics? These unexpected financial crises don't just happen at home. They happen every day to our nonprofit professionals in Southwest Florida. I recently spoke with an executive director of an agency that assists young mothers. A water leak in the kitchen resulted in a partial renovation. Walls, floor, appliances and cabinets had to be replaced. This was no small feat for an agency that had to continue to feed their clients (mothers and children). But then a series of unexpected events occurred; with donated materials and labor, the agency was able to repair the kitchen at minimal cost.

Another agency was buoyed from a major budget shortfall (due to falling donations) by a bequest gift. A donor had made provisions in his will to leave a portion of his estate to the non-profit. How interesting that the gift arrived just in time to help the charity during one of its rough patches.

Generous donors in our community have many ways to deliver a windfall of "divine economics" to their favorite charity. With a little planning today, you can make a substantial difference in how a charity delivers their mission for the long-term.

Immediate gifts of cash, goods, or services can be used for operating expenses and the program needs of the charity. These gifts are usually solicited through a yearly annual fund drive, newsletter, or direct request from a staff member or board member. Often, a charity will announce a "wish list" of materials and supplies that otherwise would decrease the budget.

Planned gifts can make an extraordinary impact on a nonprofit. A planned gift is generally a gift that is a bit larger in size and may have tax or legal implications for the donor. It also requires a more thoughtful planning approach to making a significant gift. Appreciated stock, charitable gift annuities and bequests are some of the easiest types of planned gifts.

**Appreciated stock**

Appreciated stock is an excellent choice

for funding charitable gifts because it can offer significant tax benefits. In fact, to offset a capital gain event during the tax year, many donors gift shares of stock or mutual funds to counter an anticipated capital gain tax. Typically, selling an appreciated stock triggers a tax on the realized gain—the difference



between what you paid to purchase the stock and its current value. When you make a gift of appreciated stock directly to your favorite charity and the charity sells the stock, the taxable event and the fees are avoided because the charity is tax-exempt. Plus the donor can

take a sizable charitable deduction on his/her taxes—a deduction that can be used to offset other taxable events.

**Charitable gift annuities**

At its basic level, a charitable gift annuity (CGA) is a contract between a donor and a 501c3 charitable organization. The donor contributes assets to the charity and in return receives payments, or an annuity, for life. The donor is the person who is contributing the assets to the charity; the annuitant is the person who actually receives payments from the charity. On July 1, the American Council on Gift Annuities is recommending a lowering of rates for charitable gift annuities. To take advantage of a higher return, consider instituting a CGA before July 1, 2008.

**Bequest**

If you don't have a will, you are not alone. The National Committee on Planned Giving (NCPG) estimates that only 50% of adults have created wills. Of those with wills, only 16% have named a charity in their will. Yet it is so simple to leave a specific amount or a percentage of your estate to your favorite charity. If you don't have a will, prepare one now. If you do have a will, consider adding language that includes provisions for your favorite cause. Ask for the legal name of the organization and the federal tax identification number. You can visit [www.leavealegacy.org](http://www.leavealegacy.org) for more information on how to leave a charity in your will.

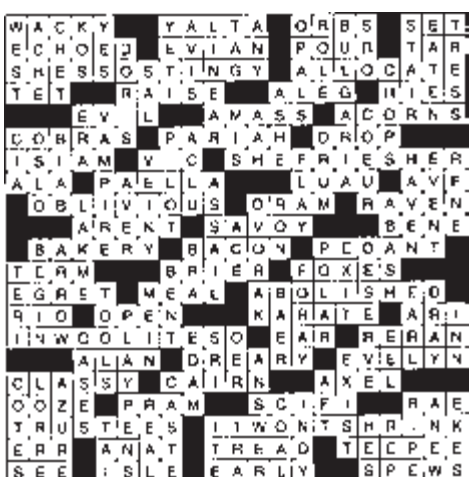
As in all major decisions, a phone call or visit to your professional advisor (estate attorney, accountant, or financial planner) will help you plan the best course of action. ■

*The Southwest Florida Community Foundation has been supporting the communities of Lee, Charlotte, Collier, Glades and Hendry through endowed funds for more than 30 years. With assets of more than \$57 million and 314 endowed funds, the community foundation has provided more than \$30 million in grants and scholarships to the communities it serves.*

*For more information, please call 274-5900, or visit their web site at [www.floridacommunity.com](http://www.floridacommunity.com).*

## PUZZLE ANSWERS

5	1	4	2	7	9	6	3	8
3	2	7	8	1	6	4	5	9
9	6	8	5	4	3	7	1	2
2	8	9	7	6	5	1	4	3
6	5	1	4	3	8	2	9	7
4	7	3	1	9	2	5	8	6
8	9	5	6	2	4	3	7	1
1	3	6	9	5	7	8	2	4
7	4	2	3	8	1	9	6	5



The Only Thing We Overlook Is The Beach



Over 1/4 Mile of Sugar-White Sands on 12 Acres

# SWFL Resident Rates from \$159 per night.



Family-Friendly Resort



Award-Winning Spa



Beachfront Restaurants



Numerous Water Sports

Package includes **FREE BREAKFAST** for two every day and two **FREE WELCOME DRINKS**.

*Rates applicable June 1 - September 30, 2008, Sunday - Thursday and are based on availability.*

At Pink Shell Beach Resort & Spa, every condo offers sweeping beachfront views. With 12 lush acres and 223 deluxe beachfront accommodations, Pink Shell includes all the conveniences and amenities you'd expect from a family-friendly resort. Enjoy on-site waterfront dining, a full-service spa and relaxation on a quarter-mile of sugar-white sand.



For Reservations Call 1-888-309-2917

275 Estero Boulevard • Fort Myers Beach • [www.PinkShell.com](http://www.PinkShell.com)