

VISIONS

Charitable Estate & Financial Planning Ideas from The Rotary Foundation



Rotary's Donor Advised Fund is an easy, sophisticated way to help your family develop and manage their charitable interests. You can support them as they discover their passion and encourage them to recommend grants to some of their favorite charities.

FAMILY MAKES A DIFFERENCE

Thanksgiving is a great time for family to come together to appreciate what life offers and to give thanks for good in the world. The holidays are also an ideal opportunity to reflect on philanthropic achievements and to start planning new projects your family will work on together during the next year.

Rotary makes it easy for your family to support their favorite charities through a single tax-efficient account.* Through The Rotary Foundation's Donor Advised Fund, you can set aside money for later charitable use, maximize deductions during the years when they are most valuable, and avoid unnecessary capital gains taxes on gifts of appreciated stock.

When a project that you want to support comes along, simply recommend a grant. Rotary manages the investments that allow the value of your account to grow tax-free over time, providing you with more funds for supporting your favorite causes.

Rotary's Donor Advised Fund is like having your own foundation, only better. Read on to discover how other Rotarians use this giving strategy to foster multi-generational giving.

*All tax references are to U.S. federal taxes. State tax laws for charitable giving vary from state to state, so please check with your tax advisor. The Rotary Foundation's Donor Advised Fund is currently structured for a U.S. audience.



Brian Purcell (Rotary Club of Sebastopol Sunrise, California) and his family recently visited Chiapas, Mexico to refine their Spanish-speaking abilities. His daughter, Rita, uses her language skills to help underserved Latino communities in the San Diego area.

Brian Purcell (Rotary Club of Sebastopol Sunrise, California) uses Rotary's Donor Advised Fund to teach his children how to become successful entrepreneurs and influential philanthropists who share his dedication to serving humanity.

"Most of our volunteer work is individual," says Brian, noting the stark contrast in philanthropic goals among the members of his family. His passion is supporting people in developing nations through Rotary projects. His wife, Jan, trains horses for a therapeutic riding program and shares advisory privileges with Brian on the Purcell Foundation Donor Advised Fund. They intend to name their 22-year-old daughter, Rita, as a successor on the account after she has had more time to develop her long-term charitable goals. Currently, Rita is devoted

to assisting underserved Latino communities in the San Diego area, and her younger brother, Luke, volunteers to support local social justice organizations.

For now, Brian plans to contribute to the Purcell Foundation Donor Advised Fund every year so that his gifts have a chance to grow tax-free through Rotary's investments. "The expenses are low, which I like," says Brian who works in the finance industry and appreciates the opportunity to avoid paying unnecessary taxes by donating appreciated stock. This approach allows the Purcell family to make donations to Rotary and their other favorite charities while maintaining a steady balance in their Donor Advised Fund account, ensuring that Brian and his family will always have the funding they need to fulfill their hopes for a better world.

GETTING STARTED

Give a Gift. Open an account with a tax-deductible, irrevocable contribution of \$10,000 or more.

Let it Grow. Advise The Rotary Foundation on how you wish the account funds to be invested in professionally managed portfolios.

Make a Difference. Recommend grants to IRS-approved charities of your choice and support the work of The Rotary Foundation through an automatic annual transfer of \$250.

LESS TAX MORE IMPACT

The Rotary Foundation offers competitively low annual fees on Donor Advised Fund accounts. While you enjoy the flexibility of an individual or family account, you receive the same tax advantages as a foundation with no start-up costs, excise taxes, or mandatory 5 percent distribution. In fact, you may also deduct a higher percentage of your adjusted gross income.

Rotary handles the details of managing the account. All you have to do is decide how and when to recommend grants to qualified charities. When you're ready, simply submit your recommendation online or call the direct line to Rotary's Donor Advised Fund Specialist. This boutique customer service model is not currently provided by other major organizations.

Each July, your Donor Advised Fund account will make a \$250 transfer to Rotary's Annual Fund. This transfer and any other grants you recommend to The Rotary Foundation are eligible for appropriate individual recognition.

After your lifetime, half of the amount left in the account (or more, if you choose) will go to Rotary's Endowment where it will support your favorite Rotary causes around the world year after year for generations to come.

The portion of the account that is not transferred to the Endowment can be directed to another qualified charity you recommend. If the account has a balance of \$150,000 or more before the transfer to the Endowment, the account can continue with your loved ones named as your successors.



While Rotarians use the Donor Advised Fund for different philanthropic goals, all accounts support Rotary's Annual Fund to create lasting change in the world. Among other service efforts, the Annual Fund strengthens the health and economic stability of families in underserved communities.

CHARITY BEGINS AT HOME

With no start-up costs, Rotary's Donor Advised Fund is a convenient and inexpensive alternative to forming a family foundation. Nathan and Ruth Talbot (Rotary Club of Central Lakes-Pequot Lakes, Minnesota) let Rotary take care of the accounting, reporting, and other administrative tasks so they can focus on what Rotarians do best: improving lives and making the world a better place.

The Talbots use a Rotary Donor Advised Fund account to support their favorite causes and affirm their family values. "I like that I can gather information on a charity I want to support and just pass it on to Rotary," says Ruth.

The Talbots' philanthropic nature is shared by their children, who are Rotary donors as well. They have established their daughter, Lynn Hunt (Rotary Club of Central Lakes-Pequot Lakes, Minnesota), as the successor of the Nathan and Ruth Talbot Donor Advised Fund.

While her parents savor the convenience of submitting grant recommendations online when it suits them, Lynn enjoys watching the Hunt Family Rotary Foundation Donor Advised Fund grow tax-free through Rotary's investments because it supports her own children's future philanthropic goals.

BUILD A ROTARY LEGACY IN YOUR NAME

Rotary's Donor Advised Fund assists your family in addressing the world's pressing humanitarian challenges. You can select grants and projects together, develop your children's personal values, and build a powerful reputation in your family name.

Frank and Barbara Fagan of the Rotary Club of San Juan Island (Friday Harbor), Washington use this savvy financial strategy to enhance their personal legacy. Six years ago, they transferred their account to Rotary from an organization that offered Donor Advised Funds with higher annual fees. "We switched for the savings," says Frank. Thanks to Rotary's keen investment strategy, Frank and Barbara have already seen \$10,000 in tax-free growth.

The Fagans use their account to fund projects that improve access to clean water, health care, or basic education. Their most recent grant recommendation will provide digital x-ray equipment to a hospital in Cochin, India. Frank and Barbara are also proud to see their sons, Matt and Daniel, support service projects in their own communities. When their parents pass away, Matt and Daniel will receive advisory privileges of the Fagan Family Donor Advised Fund with half of the account balance to use toward their own philanthropic goals. The other half will be directed to Rotary's Endowment where it will continue to grow and give in the Fagan family name over the next century and beyond.

By expressing their preference for their legacy to benefit SHARE (District Designated Fund and World Fund), Frank and Barbara will help people lead better, safer, and healthier lives both in their community and around the globe. Rotarians in their district will be reminded of the Fagans' generosity and enthusiasm for service each year when their named fund in Rotary's Endowment produces earnings that support communities in need.



Frank Fagan, seen here participating in an annual beach clean-up, enjoys serving his community with other members of the Rotary Club of San Juan Island (Friday Harbor), Washington. Frank builds his Rotary legacy through the Endowment and the Fagan Family Donor Advised Fund.

FOR MORE INFORMATION

Rotary is happy to help you or your advisors explore how the Donor Advised Fund can help you achieve your charitable and tax-planning goals. For details on opening an account with Rotary, please call (847) 866-3359 or email planned.giving@rotary.org. You will also find more helpful information online at rotary.planmygift.org/daf.



The Rotary Foundation • 1560 Sherman Ave.
Evanston, IL 60201 • Phone: (847) 866-3359 • Fax: (847) 556-2178
plannedgiving@rotary.org