

A Case Study in Effective Philanthropy

Sarah Green was preparing to sell her business earlier this year and launch a second career. She wanted to minimize taxes from the sale and also wished to share the fruits of her successful business venture with worthwhile institutions.

"My business has thrived over the years" says Sarah. "My family and I have done well; now I want to *give something back*."

Prior to entering into final negotiations, Sarah decided to contribute some shares in her business worth \$200,000 to a donor-advised fund sponsored by the Global Gift Fund®. The gift will be deductible up to 30% of her adjusted gross income, and any excess deductions may be carried over and deducted for up to five years. She also escapes capital gains taxes on contributed shares. The charitable gift certainly will reduce taxes from the sale of her business. But why not simply make direct gifts to various charities?

"This may be the biggest gift I will ever make," said Sarah, "and I didn't want to be rushed into choosing the charities before the end of the year. This way I can take my deduction now but take my time about deciding who should benefit."

Sarah has decided to call her fund the "Green Family Foundation for Humanity." She will be asked to recommend which qualified organizations should receive grants. Sarah plans to meet annually with her son and daughter during the holiday season to plan these recommendations, and she also intends to have them succeed her as GiftAdvisors™.

"I like the idea of my kids continuing to get together once a year to do something that truly helps others," she explains. "As a parent, that may be the best legacy I can leave to them." Sarah also says she likes the support furnished by Tim, her DonorAdvisor™, who manages the fund for her and provides important services.

"Tim helped me set up my fund. He explained that stocks in my company could be the best gift asset, but that special arrangements would have to be made with Global Gift Fund. Tim worked out the details and now he has reinvested my gift assets so the fund can go on giving for many generations."

"Tim also put me in touch with people who share my charitable interests and he helps me with questions about grantmaking," adds Sarah. "It's good to have a DonorAdvisor™ to turn to."