A LEGACY Allows Your Support to Continue to GROW

What Will Be Your Legacy?

Why have an Estate Plan?

All of us at one time or another think about our own mortality and what that means to all we are leaving behind. This is not focusing on possessions but rather on our loved ones and organizations we hold dear that we are leaving behind. We ask ourselves, “How can we best provide for our children and ensure the organizations that we hold dear to our hearts are able to continue their mission?” It can be a little overwhelming thinking about the legacy you wish to leave. A legacy gives you an opportunity to live for a purpose that's bigger than yourself. A legacy is a lasting way to show your love. You have an opportunity to bless those around you and positively impact generations to come. With prudent planning, we can ensure our assets can be distributed to accomplish our wishes. All of us want to feel that our life mattered and that we have the ability to help even after we are gone. This can be accomplished through creating an Estate Plan. An Estate Plan helps you with allocating your resources to what is most important to you as well as communicating to others your wishes.

If you would like to receive some guidance on creating your Estate Plan, please feel to reach out to me as I would enjoy helping you through the process and connecting you with Estate Planning professionals.

Blessings,
Dean Herried

Dean Herried
Regional Philanthropy Officer

Pinerest.org/Foundation
What You Need to Know

Have you given to a donor-advised fund?

Recent developments are a reminder of the documentation required to substantiate your donation.

On July 6, a U.S. District Court issued an opinion in Keefer v. United States (Keefer) that serves as a reminder to taxpayers who make contributions to a donor-advised fund (DAF) of their documentation requirements. In this case, the taxpayer was denied a substantial charitable deduction because documentation requirements were not met. Taxpayers must make sure that the contemporaneous written acknowledgement (CWA) from the donee organization meets the exact requirements of the Internal Revenue Code (IRC) or risk the deduction being denied.

**CWA requirements**

IRC Section 170(f)(8) provides that no deduction is allowed for any charitable contribution of $250 or more unless the taxpayer substantiates the contribution via a CWA of the contribution by the donee organization. The following specific items must be included:

1. The amount of cash and a description (but not value) of any property other than cash contributed
2. Whether the donee organization provided any goods or services in consideration, in whole or in part, for the contribution
3. A description and good faith estimate of the value of any goods or services received by the donor or, if such goods or services consist solely of intangible religious benefits, a statement to that effect

Additionally, IRC Section 170(f)(18)(B) provides that a charitable deduction will be allowed only if the taxpayer obtains a CWA from the DAF sponsoring organization that states the sponsoring organization has exclusive legal control over the assets contributed.

In addition to the requirements noted, the written acknowledgement must be contemporaneous.

Under IRC Section 170(f)(8)(C), a written acknowledgement is considered contemporaneous if the taxpayer obtains the acknowledgement from the donee organization on or before the earlier of the date on which the taxpayer files a return for the taxable year in which the contribution was made or the due date (including extensions) for filing such a return. It is important to note that the court in Keefer indicated that a DAF donor packet received prior to the charitable gift could not be included as part of the CWA as it was not referenced in the CWA documentation issued after the gift was made.

**A good reminder**

Keefer is a good reminder that donors should be diligent in their efforts to make sure the CWA received from a sponsoring organization supports the deductible charitable donation to the DAF. Failure to receive a CWA that strictly complies with the requirements could result in denial of the charitable deduction. Donors should focus on the timing and the specific written statements required to be included on the CWA to avoid surprises and ultimate disallowance upon further inquiry by the IRS.

The burden to obtain this documentation is on the taxpayer, not the donee organization, though in most cases the donee organization does provide the CWA without taxpayer request. It also is important to provide this documentation to tax preparers so they can analyze the documentation for any shortcomings before the contemporaneous period expires.
Charitable giving has many tax and non-tax advantages. One tax advantage is the estate tax charitable deduction afforded a donor at the donor’s death.

The federal estate tax is a one-time tax which applies, if at all, upon the death of an individual. It is a tax levied against the value of a person’s assets (gross estate) as of the person’s date of death. For the year 2022, each individual has an exemption of $12,060,000. Therefore, if you pass away this year, and you did not already use up your exemption making lifetime gifts, you would be able to transfer on your death assets with a value of $12,060,000 without incurring any estate tax liability. This lifetime exemption increases each year for inflation. In 2023, the exemption will increase to $12,920,000 per individual. However, the law that increased the exemption to this amount is set to expire (or "sunset") on December 31, 2025. Absent legislation to the contrary, beginning January 1, 2026 the exemption is set to decrease to $5,000,000 per individual, adjusted for inflation.

The value of any assets given to a qualifying charity at death are deducted from the gross estate for purposes of calculating any federal estate tax liability. There is no limit to the charitable deduction. To be deductible from the estate tax, the decedent must make the charitable bequest, legacy, or devise. A gift to charity by the estate’s beneficiaries is not deductible. There are a number of ways to transfer funds to a qualifying charity at death to benefit from the deduction. A qualifying charity could be named as a beneficiary of a decedent’s life insurance policy or retirement benefit. An individual’s Will or Trust could include a bequest to a qualifying charity. Providing a qualifying charity as a remainder beneficiary in trust may provide a charitable deduction for estate tax purposes.

If you wish to include one or more charities as part of your estate plan, you should consult with your professional advisors to determine the best strategy for you.

“Goodness is about character—integrity, honesty, kindness, generosity, moral courage, and the like. More than anything else, it is about how we treat other people.”

- Dennis Prager
Thoughts from others on Legacy Giving

“Legacy. What is a legacy? It's planting seeds in a garden you never get to see.”
- Lin-Manuel Miranda, playwright

Creating a legacy takes faith. After all, you don't know how it will turn out.

“What you leave behind is not what is engraved in stone monuments, but what is woven into the lives of others.”
- Pericles, Philosopher

Monuments aren’t permanent, but love is. By contributing to the mental well being of others is true love.

For information on supporting the work of Pine Rest through Planned Giving, please contact Dean Herried 616.222.6345 ext 1380

Mission
Pine Rest Christian Mental Health Services is called to express the healing ministry of Jesus Christ by providing behavioral health services with professional excellence, Christian integrity, and compassion.