



Endowment Gifting Terms and Vehicles

These are some of the ways donors can give to the Synagogue. If you have any questions about ways to give, reach out to your financial professional or the synagogue.

Required Minimum Distributions from IRAs

Forced withdrawals from an IRA at age 72/73 for the sole purpose of letting the IRS Tax the funds. Distributions are roughly 5% of total IRA balance and taxed at ordinary income (Federal and State).

Private Foundation

An individually owned charitable foundation. Funds are tax deductible when put into the foundation and must be moved to a non-profit entity at some point. There is not a taxable event when the funds are moved.

Donor Advised Fund (DAF)

A small version of a private foundation. Able to be established for as little as \$10k. Very trendy right now and promoted by many organizations like Federation and Community fund as well as Brokerages. DAF follows the same tax rules as a Private Foundation.

Endowment

Gift given with a contract that states how the money can be used. This can include distribution rates, application of funds, or other stipulations. Endowments can be broad or narrow in powers.

Highly Appreciated Stock

Stock with low-cost basis and imbedded gains. The donor gets the full donation value, and the gains are passed to the non-profit which doesn't pay them.

Planned/Legacy Gifting—Gifts Given at Donor's Passing

- **IRA**—After 2019 tax law changes result in the beneficiaries only having 10 years to fully liquidate the IRA and have the assets fully taxed. Setting a non-profit as a beneficiary avoids these taxes.
- **Beneficiary IRA**—This is an IRA that has already been passed to the next generation and must be liquidated in 10 years. Fully taxed at ordinary income upon distribution
- **Will**—Legal Document directing where the deceased's assets go. If a congregant regularly gives while they're alive, AA should be listed on their will.
- **Annuity**—Complex vehicle. Typically used for income during one's life but various forms and functions exist. The death benefit is taxable to the beneficiary. Setting a Non-profit as the beneficiary avoids this.
- **Insurance**—Insurance Death Benefits are tax free to the beneficiary. However, if the policy is owned by a non-profit then the premium payments are tax deductible to the insured. Great way to leverage annual donations by older (but not too old) congregants.