



September 2021 Study Group

Add to your giving strategy toolbox by understanding three giving vehicles your clients might use to further their giving and how they work together in many circumstances.

3 types of giving vehicles

Private foundation

Donor-advised fund

Supporting organization

Charitable tax-saving components

1. Charitable income tax deduction for the giver
2. Charity's tax on future income reduced
3. Gift and estate tax charitable deduction for the giver

Similarities in how they work

1. All allow gifting an appreciated asset with a charitable deduction.
2. All grow proceeds by receiving profits and income in a tax-favored environment.
3. All fulfill the giver's charitable purpose by recommending or sending grants.

Using all three vehicles together can help clients strategically separate their giving, growing, and granting according to their preferred timing and receive tax savings which often allow them to give more than they thought possible.

Kingdom Advisors is the leading advocate for the Christian financial industry.

We offer a step-by-step process to confidently deliver advice that aligns with Christian values.

Study Groups connect like-minded peers for encouragement, best practices, and accountability.

Jeanne McMain's slides are available in pdf format with two bonus slides covering more details on supporting organizations: ***Understanding Giving Vehicles and How They Work Together (pdf)***



Grant-Making Vehicles Comparison Highlights

Private Foundation	Donor-Advised Fund	Supporting Organization
<p>Pros:</p> <ul style="list-style-type: none">Liquid giftsDIY experienceCompensation to familyControl <p>Cons:</p> <ul style="list-style-type: none">Complex asset giftsSelf-dealing5% distributionNo privacyOperational fatigue	<p>Pros:</p> <ul style="list-style-type: none">EasyLiquid & complex asset giftsPrivacy <p>Cons:</p> <ul style="list-style-type: none">No family compensationAdvisory rights onlyLimited investment options	<p>Pros:</p> <ul style="list-style-type: none">FlexibleLiquid & complex asset giftsModified DIY experienceInvestment opportunity <p>Cons:</p> <ul style="list-style-type: none">No family compensationComplexityOperational fatigue

Case Study #1 - Corporation preparing for acquisition

Post-sale gift to private foundation vs.
Pre-sale gift to donor-advised fund

Case Study #2 - Gifting real estate & private equity investing

Gift property to supporting organization

Discussion Questions

- 1 Jeanne used the analogy of multiple cars used for different driving purposes to compare three different giving vehicles: private foundation, donor-advised funds, supporting organizations. Which vehicles have you used? Which might be most applicable to your clients?
- 2 Jeanne dissected the gifting process into three phases: giving, growing, and granting. How would you describe these three phases to your clients?
- 3 Which case study was most helpful for you? Why?

Personal Reflection

- 1 Are there giving vehicles I should consider in my own family's plan?
- 2 Am I comfortable using giving vehicles in client planning?
- 3 Which organization and/or gift professionals should I partner with to help my clients think through their giving vehicle options?