

Morgan Stanley

Charitable Giving at a Glance

Quick Reference Guide

Introduction

When choosing a planned giving vehicle, items like contribution limits, duration, complexity and level of donor control are just some of the characteristics that donors must consider. Your Morgan Stanley Financial Advisor can help determine which charitable product or platform best suits your needs.

TOPIC	DIRECT LIFETIME DONATION	CHARITABLE BEQUEST	CHARITABLE GIFT ANNUITY	POOLED INCOME FUND
Description	Cash or property donated during donor's life to a 501(c)(3) tax-exempt organization.	Cash or property donated upon donor's death to a 501(c)(3) tax-exempt organization. Donor typically makes this bequest through their will, trust or beneficiary designation.	Cash or property donated during donor's life or upon death to a public charity or community foundation in exchange for the charity's promise to make a fixed lifetime payment (at least annually) to donor and/or other individual(s). Generally, payment amount conforms to a prescribed table measuring payment on recipient's life expectancy. Charity keeps any remaining assets upon death of the payment recipient.	Cash or property donated by separate donors and commingled in a single fund for investment purposes. Each donor or the donor's designated beneficiary receives a proportionate share of the income earned by the fund each year. Charity keeps the remaining assets from each donor's share of the fund upon each donor's death.
Eligible Donors	Individual, trust, partnership, corporation, estate or other legal entities.	Individual, trust, partnership, corporation, estate or other legal entities.	Any individual, but typically donors over age 55.	Any individual, but typically donors under age 55.
Contribution Limits	None.	None.	Typically \$10,000 minimum of cash or stock. No additional contributions permitted.	Typically \$10,000 minimum of cash or stock.
Type of Contributed Property	Cash, stock, bonds, mutual funds and other property subject to board approval.	Cash, stock, bonds, mutual funds and other property subject to board approval.	Typically cash and stock. Charity may elect to accept other assets.	Typically cash and stock. Charity may elect to accept other assets.
Level of Complexity	Low.	Low.	Medium.	Medium.
Donor Control	Low.	Low.	Low.	Low.
Donor's Potential Charitable Tax Deductions	<p>Generally, charitable income tax deduction for lifetime cash donation but limited to 60% of Adjusted Gross Income (AGI)¹. Any unused deduction may be carried forward for up to five years.</p> <p>Generally, charitable income-tax deduction for full fair market value of donation during life of long-term capital gain property, but limited to 30% of AGI². Any unused tax deduction may be carried forward for up to five years.</p> <p>Charitable gift tax deduction for full fair market value of lifetime donation.</p>	Charitable estate tax deduction for full fair market value of donation at death.	Generally, charitable income-tax deduction for actuarially determined value of gift ultimately passing to charity (subject to certain AGI limits) and same charitable gift-tax deduction without AGI limits. Any unused income tax deduction may be carried forward for up to five years.	Generally, charitable income-tax deduction for actuarially determined value of gift ultimately passing to charity (subject to certain AGI limits) and same charitable gift-tax deduction without AGI limits. Any unused income tax deduction may be carried forward for up to five years.
Timing for Charity to Receive Donation	Immediately.	At donor's death.	At end of contract (i.e., at death of payment recipients).	At end of contract (i.e., at donor's death).
Payment Stream From Donation to Donor and/or Beneficiaries	No.	No.	Yes, fixed amount.	Yes, variable amount.
Documents Needed to Effect Donation	None.	Will, trust or beneficiary designation.	Contract with charity.	Contract with charity.
Annual Fees	None.	None.	Yes, administration and investment management fees.	Yes, administration and investment management fees.
Startup Costs	None.	There may be legal fees to create a will or trust.	None.	None.

CHARITABLE REMAINDER TRUST	CHARITABLE LEAD TRUST	DONOR-ADVISED FUND (DAF)	PRIVATE (NONOPERATING) FOUNDATION
<p>Cash or property donated during donor's life or upon death to an irrevocable trust. Trust makes a payment (at least annually) to donor and/or other beneficiary(ies) for their life or lives or for a specified term of not more than 20 years. Amount of annual payment can either be (i) the same each year, based on a fixed percentage of initial value of trust assets or (ii) variable, based on a fixed percentage of the value of trust assets computed each year. Minimum payment rate is 5%. Charity(ies) receive any remaining trust assets at the end of payment term.</p>	<p>Cash or property donated to an irrevocable trust. Trust makes a payment (at least annually) to charity(ies) for life or lives of donor and/or beneficiary(ies) for a specified term of years. Amount of annual payment either can be (i) the same each year, based on a fixed percentage of initial value of trust assets or (ii) variable, based on a fixed percentage of the value of trust assets computed each year. At the end of payment term, donor or other beneficiary(ies) receive any remaining trust property.</p>	<p>Cash or property donated to a charitable fund administered by a public charity. Donations invested according to donor's advice and grants made to qualified public charity(ies) according to donor's recommendations, subject to approval of administering charity. Donors can choose successors to advise on investments and recommend grants after donor's death. Enhanced options include i) Donor-Sponsored Supporting Organization (for fundraising by those with personal followings); ii) Private Label DAF (an alternative fundraising model for nonprofits) and iii) Society Foundation DAF (an alternative to private foundations).</p>	<p>Cash or property donated during donor's life or upon death to a private, nonprofit, grant-making organization formed as a trust or corporation. Foundation typically receives most of its funding from one source, usually an individual or family. Foundation makes charitable distributions as determined by trustees/managers. Subject to 1.39% excise tax on net investment income, prohibitions on self-dealing and other stringent rules.</p>
<p>Individual, trust, partnership, corporation, estate or other legal entities, but typically donors over age 30.</p>	<p>Individual, trust, partnership, corporation, estate or other legal entities.</p>	<p>Individual, trust, partnership, corporation, estate or other legal entities.</p>	<p>Individual, trust, partnership, corporation, estate or other legal entities.</p>
<p>None.</p>	<p>None.</p>	<p>Typically \$25,000 for initial contribution and \$5,000 for additional contributions. Other conditions may apply.</p>	<p>Typically \$5–10 million for initial contribution or expectation that assets will total \$5–10 million by end of first year.</p>
<p>Cash, stock, bonds, mutual funds and other property subject to certain private foundation rules.</p>	<p>Cash, stock, bonds, mutual funds and other property subject to certain private foundation rules.</p>	<p>Cash, stock, bonds, mutual funds and other property subject to board approval.</p>	<p>Cash, stock, bonds, mutual funds and other property subject to certain private foundation rules.</p>
<p>High.</p>	<p>High.</p>	<p>Low.</p>	<p>High.</p>
<p>High.</p>	<p>Medium.</p>	<p>Medium.</p>	<p>High.</p>
<p>Generally, charitable income tax deduction for lifetime donation is equal to present value of gift ultimately passing to charity (subject to certain AGI limits) and same charitable gift tax deduction without AGI limits. Any unused income tax deduction may be carried forward for up to five years. For a Charitable Remainder Trust created at death, charitable estate tax deduction for the value of trust assets includible in donor's estate and passing to charity(ies).</p>	<p>Lifetime donations to some (but not all) types of Charitable Lead Trusts may provide donor with a charitable income tax deduction equal to the present value of the charity's payment stream (subject to certain AGI limits). Any unused deduction may be carried forward for up to five years. For a Charitable Lead Trust created at death, charitable estate tax deduction for the value of the trust assets includible in donor's estate and passing to charity(ies).</p>	<p>Generally, charitable income tax deduction for lifetime cash donation but limited to 60% of AGI. Any unused deduction may be carried forward for up to five years. Generally, charitable income tax deduction for full fair market value of donation during life of long-term appreciated stock, but limited to 30% of AGI. Any unused tax deduction may be carried forward for up to five years. Charitable gift tax deduction for full fair market value of lifetime donation. Charitable estate tax deduction for full fair market value of donation at death.</p>	<p>Generally, charitable income-tax deduction for lifetime cash donation but limited to 30% of AGI. Any unused deduction may be carried forward for up to five years. Generally, charitable income-tax deduction for full fair market value of donation during life of long-term qualified appreciated stock, but limited to 20% of AGI. Charitable income tax deduction for other long-term capital gain property for the donor's basis in the property, but limited to 20% of AGI. Any unused tax deduction may be carried forward for up to five years. Charitable gift-tax deduction for full fair market value of lifetime donation. Charitable estate-tax deduction for full fair market value of donation at death.</p>
<p>At end of specified payment term (i.e. at death of payment recipient(s) or end of specified term of years).</p>	<p>During specified payment term at least annually until death of measuring life or lives, or end of specified term of years.</p>	<p>Any time, according to the donor's own timetable, until all assets from donor's DAF account are distributed.</p>	<p>Generally, at least 5% of assets must be distributed to charity(ies) annually, but distributions can be greater if directors/trustees choose.</p>
<p>Yes, fixed or variable amount.</p>	<p>No, but donor or other beneficiaries receive remaining trust assets at end of charity's payment term.</p>	<p>No.</p>	<p>No.</p>
<p>Trust.</p>	<p>Trust.</p>	<p>Agreement with charity administering fund.</p>	<p>Trust or corporate bylaws/governing provisions.</p>
<p>There may be trustee, investment management, administration and tax return preparation fees.</p>	<p>There may be trustee, investment management, administration and tax return preparation fees.</p>	<p>Yes, administration and investment management fees.</p>	<p>There may be trustee/director, investment-management, administration and tax return preparation fees.</p>
<p>There may be legal fees to create a trust.</p>	<p>There may be legal fees to create a trust.</p>	<p>None.</p>	<p>There will be an IRS user fee for the application for tax exemption and there may be legal fees to create trust or corporate bylaws/governing documents.</p>

¹ Cash donations made to qualifying public charities in 2021 are limited to 100% of AGI.

² The limit is 50% of AGI if the donor elects to deduct only the donor's cost basis in the property.

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