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Charitable Bequests: An Integral Part of Your Estate Plan

Should charitable giving be a part of your estate plan? Should gifts be considered for your college, your religious institution, or one of your community's non-profit organizations? How would incorporating such gifts help in your estate planning process?

Perhaps it is the cynical part of being an attorney, but it has been my experience that most people, especially when it comes to estate planning, put their self-interest first. Charity begins at home, I am told, so all of the treasure of the family needs to stay within the family.

In order to overcome this quite natural inclination, one should consider what it is that a parent gives to a child in the estate planning process. Whatever it is, it should not be limited to the treasure of the inheritance. The parent's legacy for a child should be considered in a much broader context.

During the lifetime of a family, the parents impart to their children their values and beliefs – a set of principles that will help guide the children through their lives, helping them to achieve whatever goals they establish.

One of those principles usually involves participation in the larger community at some meaningful level. Worshiping in a community setting, enjoying artistic offerings, or building community are examples of such participation.

During the parent's life, the parent will often involve the child in these activities, giving of time and treasure to organizations that support such meaningful endeavors. In this process, the parent is setting an example of how to be a responsible participant in the community.

Incorporating these same principles, these same lessons, these same activities, into an estate plan is merely a natural extension of that parent's role. An estate plan should reflect the personality of the client, addressing the concerns, hopes and wishes of that client for his or her family. Trusts are often established to allow a responsible member of the extended family to provide financial guidance to the younger family members. Guardians are nominated to provide role models to minor children. Funeral arrangements are described to help the family through the grieving process. So, too, should charitable gifts be made to reflect the family's role in the community.

Including a modest charitable bequest in an estate plan is normally a simple process, limited only by the imagination of the client. It could be a simple gift of a specific sum of money, or it could be a percentage of the estate after the payment of all expenses. The bequest need not be large compared to the estate, but it should be meaningful so that legacy for the family is understood by its beneficiaries.

Charitable bequests can be made to religious institutions to support outreach programs or administrative costs, to educational institutions for scholarships or growth, or to community non-profits to support health and human service programs, the arts, or other similar endeavors.

Discuss with your estate planning professional how a charitable gift would make sense in your estate plan. Certainly there will be some tax benefit for the family. But it is the act of giving that is the true legacy – part of your legacy to your family and to your community.