

THE SOURCE

E-news and information for
MPGC members and friends



MPGC

Promoting philanthropy
through planned giving.

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Message from the Chair

by *Richard Olson*, Chair

Dear MPGC Members,

From the middle of January through March, it seemed like my sons' spring break would never get here. Then before I knew it the first of April was here, and our week at Disney World was over and it is back to work. Oh well, I hope all of you had a chance to get away and rest for a few days, because as we all know, visiting with donors and raising funds in this economy is very time consuming and requires patience and hard work.



Cygnus Applied Research Survey Results

I was reading the Chronicle of Philanthropy the other day and there was an article entitled "Majority of Donors Say Economic Woes Won't Affect Their Giving." This article was based on the most recent survey conducted by Penelope Burke, a plenary speaker at the 2008 MPGC Conference and back by popular demand to the 2009 Conference.

What struck me about the results of Ms. Burke's survey of over 22,000 people who had given in the past to charity was their outlook on giving in the future. Most people in the survey stated that they have been touched in some way by the recession. More than 40 percent had lost their jobs or taken a decrease in their income, while nearly 60 percent had seen their investments decrease in value.

But donors said that they were prepared to make sacrifices to sustain their philanthropy. Of those who planned to give at least as much in 2009, 50 percent said they were willing to make compromises in other areas of their lives to do so.

And although this may not be the best time to seek out new donors, many people in the survey (42.5 percent) said they would give to a charity that they had not supported in the past if someone they knew was seeking the gift. And that they would donate more to local charities than national or umbrella organizations.

This statement tells our charities one thing – volunteers will play a key role in soliciting gifts in the immediate future. Therefore, keeping in touch with our volunteers and communicating the needs of our local charities to our donors and the benefits of a planned gift should be a priority for us all in 2009.

In fact, if you review the Chronicle you will see the importance of our work during these economic times. Two out of the three largest gifts reported were bequests - \$25,000,000 bequest to the Museum of Latin American Art and \$10,000,000 to the Berks Community

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Foundation. Bequests are essential to the non-profit community when donors are hesitant to make outright gifts.

Membership Committee

The other day I was asked to participate in a Newcomer's Seminar where planned giving professionals who have been in the business less than 5 years got together and discussed issues of the day. This event was hosted by Scott Nelson and Pat Cook of the Membership Committee of the MPGC and 40 some people attended.

During the introductions Scott mentioned that one of the goals of the Membership Committee is to set up mentorship opportunities for new planned giving officers. This is a great way to become involved in the Council and help new members.

Joan Lloyd, an executive consultant, stated in an article in the Minneapolis – St. Paul Business Journal regarding what to look for in a work place that "if you're lucky, you've found a good environment, where the leaders take newcomers under their wings and mentor them. However, it is often the exception, rather than the rule." Well, that is what MPGC is trying to be to our members: an environment that welcomes new members and mentors them.

If you are interested in being a mentor, or having a mentor assigned to you, please contact the MPGC office. We would enjoy visiting with you about your experiences and your needs.

Again, thank you for being a part of the Minnesota Planned Giving Council.

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MPGC Annual Conference Call for Presentations

Deadline: May 22, 2009

findingthesilverlining

MPGC's 33rd Annual Conference
November 3-4, 2009
St. Paul RiverCentre

As one of the top planned giving events in the country, the MPGC Conference attracts more than 350 attendees from throughout the region for two full days of learning and discussing gift planning topics.

Interested in speaking at the event?

We invite you to submit your presentation online [HERE](#). Deadline for submissions is May 22, 2009. Selected speakers will be notified by Friday, June 26, 2009.

Featured Plenary Speakers include:

- ▶ Penelope Burke, President of Cygnus Research (*Back by popular demand!*)
- ▶ Pamela Jones Davidson, President of Davidson Gift Design
- ▶ Daniel Pink, Author of New York Times Best-Seller, *A Whole New Mind*
- ▶ Bill Sturtevant, Senior Vice President of Principal Gifts at the University of Illinois Foundation

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Networking Event Focuses on Economy

by *Scott Nelson*, Senior Gift Planning Officer, Gillette Children's Foundation

More than 30 new members participated in a networking event on Tuesday, April 14. The event was specially produced for new chapter members and featured time for professional networking and round table conversations about managing expectations in a down economy. Among those attending was Anne Weber-Smith, Major Gifts Officer, Twin Cities Habitat for Humanity. She said:

"In these times when dollars for professional development are dwindling and we are all doing more with less, it is important for me to feel that I am getting good value for my memberships and that my time is used efficiently. So I was very impressed by MPGC's recent new member networking event where we discussed the state of fundraising in the current economy.

I felt that the roundtable discussion included good insights from high caliber development professionals, and I came back to my office and quickly typed up my notes to email/share with my colleagues. It certainly was a good use of my time and for the cost of a couple of cups of overpriced coffee, I came away feeling that 1) we're all in this together, and 2) there are some things we could try that might help my organization weather the storm."

Buoyed by the success of its networking events, MPGC's Membership Committee will host two networking events a year.

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March Meeting Recap

by *Richard Kimbrough*, Director of Major & Planned Gifts, Saint Thomas Academy

On March 20, two presentations were delivered to the members at the breakfast and education sessions. Craig Wruck delivered a research-based address which discussed the historical context for our current economic climate and its impact on charitable giving. This discussion was also in light of a new president and changes in political priorities.

Specifically, Craig touched on three points:

- ▶ **Hard Times for These Times**
What history says about charitable giving during times like these
- ▶ **Legislative Update**
Public policy, the charitable deduction, and tax exemption
- ▶ **Partnership for Philanthropic Planning**
The reinvention of NCPG

During the educational session, the members welcomed a panel of experts who addressed the topic of Donor Centered Fundraising in a Down Economy. Specifically, the panel discussed the challenges that face our donors in their personal financial lives and where charitable priorities fit within that framework. Ross Levin, Karen Hansen and Holly McDonough offered insight into financial planning strategies families are considering, legal ramifications of reduced wealth and the challenges our organizations face in the wake of recent economic developments.

For more information and a copy of the notes from both the breakfast and education sessions please visit the Minnesota Planned Giving Council website at www.mnpgc.org. Past event handouts are accessible in the members only section and require your member login.

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MPGC 2008 Financial Report

by *Joseph K. Thiels, J.D., Planned Giving Officer, University of Minnesota Foundation Treasurer, Executive Committee, MPGC*

Thanks to careful planning, level membership, another very successful Annual Conference, and strong attendance at bimonthly Breakfast Briefings and Educational Seminars as well as Brisk Walk Through the Basics sessions, MPGC ended 2008 with positive net income. According to year-end financial statements, MPGC had income of \$190,400.56 and expenses of \$173,497.88, for total net income of \$16,902.68 in fiscal and calendar year 2008. MPGC's total assets were \$124,005.16 as of December 31, 2008. Although 2009 looks to be more challenging, the Board hopes to build on the successes of 2008 through both continued and new services and resources in order to provide even greater value for members and their organizations.

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Net Unrealized Appreciation? Consider Incorporating a Charitable Remainder Unitrust

by *Jason Watt, J.D., Gift Planner, Lutheran Community Foundation*

General Introduction

Do you have donors who fit this description?

- ▶ Age 59 or older (or 55 and retired).
- ▶ Owns employer stock within a 401K.
- ▶ The stock has significant gain.
- ▶ The donor believes that the capital gains tax rate will likely increase in the future.

If you have donors who meet these criteria, they might be interested in learning about the “net unrealized appreciation” strategy.

The current capital gains rate for most donors is 15 percent. If Congress increases the capital gains rate to levels seen during the Clinton Administration, the rate could increase to as much as 28 percent. If a donor with employer stock in a 401K believes that the capital gains rate will likely increase, he or she may consider using the net unrealized appreciation strategy this year, in order to take advantage of the current, more favorable capital gains rate.

Donors considering this strategy might also want to consider incorporating the use of a charitable remainder unitrust (CRUT) into their plan. Incorporating a CRUT into this strategy could help donors further reduce their future tax liability and at the same time benefit their favorite charities.

Benefits, Eligibility and Process

When a donor begins to receive payments from his or her 401K, the payments are taxed as ordinary income, which is typically taxed at a higher rate than capital gains income. The payments from the 401K will be characterized as ordinary income, even if the income is generated from the sale of employer stock. The **net unrealized appreciation strategy** allows a taxpayer to re-characterize this income from ordinary income to capital gains income, which can reduce the individual's tax liability.

The IRS has placed restrictions as to who can engage in this type of strategy. The two most common types of donors who are eligible for this transaction are individuals who are at least 59 years of age or people who are retired and at least age 55 [IRC § 402(e)(4)(D)(i)]. If a donor does not meet the criteria set forth in IRC § 402(e)(4)(D)(i), the donor may still engage in this type

of transaction but will need to pay a penalty that is equivalent to 10 percent of the donor's tax basis in the stock.

To begin the process, the donor must notify their 401K administrator and request that the employer stock be transferred into the donor's name as a lump sum payment. Any plan restrictions will have to first be determined and resolved. Upon transfer, the donor will need to recognize as ordinary income in the tax year in which the transfer occurs the portion of the stock that is considered their tax basis in the stock. However, the donor will not need to recognize the built-in gain as capital gains income until the year in which the stock is sold.

Let's illustrate the concept with an example.

Case study:

Assume Mary Donor is a Sr. Vice President at Bull's Eye, Inc. She is 60 years old and has worked there for 25 years. During that time she has maintained a 401K which includes 20,000 shares of Bull's Eye stock. Her tax basis in the stock is \$100,000, and the stock's fair market value (FMV) is \$500,000. Therefore, she has a built-in gain of \$400,000. Mary's income falls within the 33 percent federal tax bracket and it will remain at that level in the future.

If Mary were to keep her employer stock within her 401K, she would pay taxes at the 33 percent rate for any income generated from her stock. Assuming there is no change in the FMV of the employer stock, the entire \$500,000 would eventually be taxed at 33 percent resulting in a tax liability of approximately \$165,000. However, if Mary were to transfer ownership of the stock from her 401K into her own name, she would only pay ordinary income rates on the tax basis portion of the stock, i.e. \$33,000 ($\$100K \times 33\%$). Mary would not need to pay capital gains tax on the built-in gain portion of the stock until the stock is liquidated at some point in the future.

As mentioned above, Mary will need to pay ordinary income tax on the tax basis portion of the stock, i.e. \$33,000. Assuming she chooses to liquidate the stock this year, she would also need to pay capital gains tax on the built-in gain. Mary could save approximately \$52,000 in capital gains tax by liquidating this year when the capital gains rate is 15 percent, compared to liquidating some time in the future when the capital gains rate could be as high as 28 percent. Furthermore, if Mary is charitably minded, she could benefit by transferring her employer stock into a CRUT which could then sell the stock without having to pay capital gains tax. Provided below is a summary of her options.

Without a Strategy

If the stock is retained in the 401K, Mary will pay ordinary income rates which will result in paying approximately \$165,000 in taxes ($\$500K \times 33\%$).

Total Tax Liability = \$165,000

Net Unrealized Appreciation Strategy

Shares	20,000
FMV	\$500,000
Tax Basis	<u>\$100,000</u>
Built-in Gain	\$400,000
Capital Gain @ 28%	\$112,000
Capital Gain @ 15%	<u>\$60,000</u>
Difference	\$52,000
Tax on Basis	\$33,000 ($\$100K \times 33\%$)

	<u>15% Capital Gains Rate</u>	<u>28% Capital Gains Rate</u>
Capital Gain Tax	\$60,000	\$112,000
Ordinary Income Tax	\$33,000	\$33,000
Total Tax Liability	\$93,000	\$145,000

Net Unrealized Appreciation Strategy with CRUT

Once ownership of Mary's employer stock is transferred into her name, she may contribute the shares to a CRUT. Let's assume she will transfer the 20,000 shares into the CRUT and that the CRUT will pay out annually 5 percent of the fair market value of the CRUT for the rest of her life.

The CRUT can sell the stock without having to pay capital gains tax. However, Mary will need to pay ordinary income tax on the \$100,000 of tax basis in the stock. Mary's charitable deduction can be used to offset the \$100,000 of taxable income but her deduction will be limited to 30% of her adjusted gross income (AGI). Therefore, to fully offset the taxable income, Mary's AGI would need to be greater than approximately \$333,333. If she is unable to use her entire deduction in the year the CRUT is established, she will have five additional years to use the deduction.

CRUT Deduction	= \$197,780
CRUT Payout	= 5%
Taxable Income	= \$100,000 (basis in stock)
Charitable Deduction	<u>(\$60,000)</u> (assumes AGI = 200K) (30% limitation)
	\$40,000
	<u>33%</u> (Tax Rate)
	\$13,200 (Tax Liability)
Charitable Deduction Carryover	= \$137,780 (\$197,780 - \$60,000)
	<i>(maximum of 5 year carryover)</i>
Total Tax Liability	= \$13,200

Conclusion

In the right circumstances, the net unrealized appreciation strategy with a CRUT can significantly reduce a donor's tax liability. This strategy will apply to a limited number of donors but, when available, can be used to maximize the benefits of employer stock.

Given the poor performance of the stock market in the past year, there may be donors who are hesitant to use this strategy because they anticipate that their stock will recover. However, there may be some donors who view this as a good time to convert their employer stock into an income generating asset that is invested in a more diversified portfolio. If you work with a donor who has decided to utilize the net unrealized appreciation strategy, make sure that they explore the added benefit of incorporating a CRUT into their plan.

If you would like to explore this issue further, please review the following IRS private letter rulings (PLRs) that have approved the use of a CRUT with the net unrealized appreciation strategy.

PLR 200038050 (<http://www.irs.gov/pub/irs-wd/0038050.pdf>)

PLR 200202078 (<http://www.irs.gov/pub/irs-wd/0202078.pdf>)

PLR 200215032 (<http://www.irs.gov/pub/irs-wd/0215032.pdf>)

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Charitable Lead Annuity Trusts Present Good Planning Opportunities in Turbulent Economic Times

by *Sheryl G. Morrison, J.D., Principal, Gray, Plant, Mooty*

Introduction. While the economic news continues to paint a dismal picture, the silver lining is that some charitable and wealth planning strategies thrive during turbulent economic times. One such vehicle, the charitable lead annuity trust (“CLAT”), is an opportunity that should not be ignored in times like these.

What is a CLAT? A CLAT is a trust created by a donor to benefit both charity and the donor’s family. The donor transfers property to a trustee to hold that property according to the terms of a written trust agreement for the benefit of the named beneficiaries. The CLAT can be created during the donor’s lifetime, an “inter vivos” trust, or upon the donor’s death in his or her will or revocable trust, a “testamentary” trust. The first beneficiary is one or more charities, whose interest, the “lead” interest, is defined in terms of a fixed dollar amount or percentage of the fair market value of the assets at the trust’s creation. The charity’s annuity interest is payable at least annually during a specified period. The period for the charity’s payments may be stated as a term of years or a lifetime or a permitted combination of both. The beneficiaries of the “remainder” interest after the charity’s lead term are members of the donor’s family, typically children.¹

A donor creating a CLAT has two major objectives: (i) to transfer assets to his or her family and minimize gift and/or estate taxes on that transfer by discounting the gift by the value of the charity’s payment stream, and (ii) to provide immediate benefits to charity in the form of the payments during the lead term. Thus, a CLAT is an efficient wealth transfer strategy that also serves a donor’s philanthropic goals.

The Effect of Interest Rates. For gift tax purposes, the gifts to charity and to the donor’s children through the use of a CLAT are current gifts and the IRS requires that they be reported and valued at the time of the creation of the trust, even though those interests take effect at different times and over a period of time: The front-end lead interest starts now but continues over a period of time, and the remainder interest starts in the future after the expiration of the lead term. In order to value these interests, the IRS uses interest rate assumptions to make present value computations that yield the taxable value of those interests. These IRS rates for valuing the CLAT gifts are 120% of the applicable federal midterm rate determined by the Treasury and are redetermined each month.² Federal interest rates, along with the economic downturn, have significantly reduced the current levels. As a result, the 7520 Rate used to value the interests in a CLAT is near its historical low.

The effect of the 7520 Rate can be understood with a little explanation. The IRS uses this rate to calculate the rate of return on assets over time, including both income and appreciation. It is used to determine how much would be in the trust at the end of the lead period and also used to determine the value today (the “present value”) of the children’s right to receive the property after the lead term. That rate is also used to calculate the present value of the charity’s right to receive the payments over the defined lead period.

Where an annuity interest for charity is created, as in a CLAT, the annuity amount is fixed as the stated dollar amount.³ The 7520 Rate assumes income and growth on the assets, which is used to satisfy the payment to the charity as its annuity each year, and any excess accrues to the principal which is paid out to the children at the end of the lead term. The greater the return on

the trust assets, the more will be left for the children at the end of the charity's lead term; if the return on the trust assets is less, less will be left for the children when the charity's payment stream ends.

As explained below, because the children's remainder interest is a taxable gift, donors will want to minimize the value of that gift to reduce gift taxes. Thus, donors should consider using CLATs that result in lower valuations for the children's interests; now, when the 7520 Rate is low and the children's remainder is assumed to be worth less, a CLAT is an ideal wealth transfer device that also benefits charity.

A Perfect Storm. The depressed economy not only results in 7520 Rates near their historic low, but also results in values of assets that are likely lower. Lower asset values also mean better leverage when making taxable gifts. This combination of low values and low interest rates produces dramatic gift and estate tax savings when making CLAT gifts.

As an example, if a Donor makes a \$10,000,000 CLAT gift using the May 2009 7520 Rate of 2.4%, and provides for an annuity amount of \$600,000 (6%) for a lead term of 20 years, the gift tax value of the taxable remainder for children is \$557,560. Contrast this example if this same gift was made in May of 2007 when the interest rate was 5.6%. Then the gift tax value of the taxable remainder for children would have been \$2,888,860. The results would be even more dramatic if one used the value of assets as those values might have been in May of 2007 (with a conservative estimate of 30% higher). Then, the gift tax value of the remainder for children would have been \$3,755,518.

Clearly, the initial gift tax liability is substantially reduced when a CLAT is used to reduce the value of the gift and that CLAT is created using the lower interest rates and lower asset values existing when the economy is sluggish. However, another way of quantifying the benefits of a CLAT during these turbulent times is to consider the leverage that such a gift lends to family wealth transfers. That leverage can be measured by factoring in the difference between the 7520 Rate the IRS assumes will apply, currently 2.4%, versus a more realistic rate of return that would likely be obtained. Historically, the stock market has yielded a return of around 8-9% over time. Currently, when asset values are depressed more than in a typical economic cycle, a return over the next 20 years might well be even significantly greater than that. The difference between a realistic rate of return and the assumed 7520 Rate used by the IRS for valuing the remainder gift to the children equates to the value of assets ultimately received by the children that will escape gift and estate taxes entirely. This leverage is another reason why CLATs are so attractive now.

Annuity Payment Requirements. A CLAT must provide for a fixed amount or fixed percentage of the initial fair market value of the trust property, as finally determined for tax purposes, to be paid annually to charity. Unlike a charitable remainder trust ("CRT"), the payment amount cannot be the lesser of income or the fixed annual amount. The annuity amount can be adjusted, as long as the annuity amount can be determined at the time of the trust's creation. This ability to adjust the amount can be included to protect against the risk that the trust assets may underperform in the initial years of the trust. The term of the trust can be measured by lives of individuals or a term of years or a combination of both, and, unlike a CRT, there is no limit on the length of a term-of-years CLAT.

Income Tax Effects. There are two types of CLATs: non-grantor and grantor. No income tax deduction is allowed to the Donor for a non-grantor CLAT. The non-grantor CLAT is a taxable entity, which limits the ability of a CLAT to quickly diversify a significant block of appreciated stock, because all gains are taxable. However, the trust will enjoy an income tax charitable deduction for any amounts it pays out to charity during each tax year. As a result, so long as the distributions to the charity equal ordinary income and gains, there will be no tax to the trust. A grantor CLAT affords the Donor an income tax charitable deduction for the present value of the charity's lead interest. The grantor CLAT passes out to the Donor, and the Donor must report, the CLAT's income in each subsequent year. In our experience, non-grantor CLATs are more

common. For both types of CLAT, the assets in the trust have a carryover basis for the remainder beneficiaries.

Gift Tax Effects. The gift tax charitable deduction is available for the present value of the charity's lead interest. The gift to the remainder beneficiary is a future interest and does not qualify for the gift tax annual exclusion, so the Donor uses part of his or her gift tax exemption when making the gift (or may pay gift taxes if he or she has already exhausted his or her lifetime exemption). The Donor must file a Form 709 gift tax return to report a CLAT gift.

Estate Taxes. A lifetime CLAT is not included in the Donor's taxable estate so long as the Donor does not retain powers that would cause inclusion under section 2036 of the Internal Revenue Code. One such power would be a power to change the charitable beneficiaries. The Donor should also not be the trustee of a lifetime CLAT and should not name a private foundation as the charity. For testamentary CLATs, there is an estate tax deduction for the charitable lead interest whereas the remainder for the Donor's individual beneficiary is taxable.

Who is a Typical CLAT Donor? A typical Donor who can benefit from a CLAT has a taxable estate large enough that traditional estate planning techniques are insufficient to reduce and freeze the Donor's taxable estate. This Donor wants to make gifts to children and minimize gift taxes on those gifts. The CLAT Donor also has philanthropic goals as part of his or her estate planning. A CLAT Donor must be willing to accept a level of complexity that attends an irrevocable trust, including filing additional income tax returns and a gift tax return, fiduciary investment reviews, and understanding prohibitions applicable to charitable trusts.

When is a CLAT Appropriate? Where the property is expected to appreciate in value at a rate greater than the applicable 7520 Rate, the ability to leverage the Donor's taxable gifts is great. Where publicly traded stocks are at all-time low values, these can be good assets to fund a CLAT because the likelihood of significant appreciation is greater. The property funding a CLAT should either produce income sufficient to pay the annuity or be capable of orderly liquidation to produce funds to pay the annuity. If illiquid assets are used to fund a CLAT, some liquid assets should be put in the trust from which the annual payments can be made. With the economy being in the state it is, there is truly no time like the present for Donors to gift assets to charity and their heirs using CLATs.

This material is based on the federal tax law in effect on April 25, 2009. It is only a summary of the subject matter it addresses, and it is intended to provide information of a general nature only. It should not be construed as comprehensive treatment or as legal advice or legal opinion on any specified facts or circumstances. Readers must consult with an attorney concerning their own situations and any specific legal questions they may have.

Pursuant to the Rules of Professional Conduct set forth in Circular 230, as promulgated by the United States Department of the Treasury, nothing contained in this document was intended or written to be used by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer by the Internal Revenue Code of 1986 and it cannot be used by any taxpayer for such purpose. No one may use or refer to any portion of this communication in promoting, marketing or recommending a partnership or other entity, investment plan or arrangement relating to any one or more taxpayers.

¹ *It is generally not advantageous to name grandchildren as beneficiaries of a CLAT. Gifts to grandchildren are subject to generation skipping transfer (GST) tax, from which each donor has an exemption of \$3,500,000. That GST exemption must be allocated to the trust at the trust's creation, but the computation of the GST taxability of a CLAT is based on the value of the trust when the charity's interest ends, which cannot be known at the time of the trust's creation. Therefore, the donor's allocation of GST exemption may be insufficient or may be wasted and, thus, will not be efficient. Rather, where grandchildren are the intended remainder beneficiaries of a charitable lead trust, a charitable lead unitrust (CLUT) should be used; for CLUTs, the GST exemption allocation*

and the GST taxability computation are both based on the initial value of the trust so that the donor's allocation of exemption to a CLUT is precise and efficient. For purposes of this article, CLUTs will not be further discussed because a unitrust's valuation for tax purposes is not nearly as beneficial in a lower interest rate environment.

² This IRS valuation rate is generally referred to by practitioners, and will be referred to in this article, as the "7520 Rate," named after the Internal Revenue Code section mandating it.

³ In a charitable lead unitrust, the annual payment to charity is a percentage of the value of the trust assets as redetermined each year. Thus, the payout varies from year to year based on the value of trust property. As a result, the change in 7520 Rates have little or no effect on the valuation of the charity's versus the children's interests.

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Don't Miss the Upcoming Brisk Walk Through the Basics

May 21, 2009

8:00 a.m. - 5:00 p.m.

Concordia University, St. Paul

REGISTER TODAY!

Speaker: Craig Wruck, Former Senior Vice President for Development, Hazelden Foundation

Registration Fee: \$170/on or before May 11; \$180/after May 11

- ▶ Space is limited to the first 60 people to respond. Reserve your spot today.
- ▶ Continental breakfast, breaks and box lunch are included.
- ▶ 6.5 CLEs applied for

An overview of planned gift instruments, inspired by Bob Evenson's vision*

A Brisk Walk Through the Basics is an all-day introduction to the nuts and bolts of planned gift instruments. If you are new to planned giving, need a refresher, or are a development generalist, you should attend this course. You will get an excellent overview of gift planning and the tools you need to make the most of it. All are invited to attend; all will find the course worthwhile.

**Created by Robert A. Evenson*

Bob Evenson, one of the founders of the Minnesota Planned Giving Council, created A Brisk Walk Through the Basics seminars. Over the years, countless development officers, volunteers, and others who care about charitable organizations and the good works they accomplish received their introduction to planned giving at A Brisk Walk Through the Basics seminars. The Minnesota Planned Giving Council is proud to present A Brisk Walk Through the Basics seminars as a living memorial to Bob Evenson.

About the Presenter

Craig Wruck has served as Senior Vice President of Development and Alumni Relations at Hazelden Foundation as well as Director of Gift Planning for the University of Minnesota and Vice President of Development for The Saint Paul Community Foundation.

He is past president of the Partnership for Philanthropic Planning (formerly National Committee on Planned Giving), a member of its board of directors and has served as chair of the Government Relations Committee since 1998.

He teaches the Minnesota Planned Giving Council's Brisk Walk Through the Basics seminars several times each year and is an adjunct faculty member of the St. Mary's University (MN)

program in Philanthropy and Development. He was a founding member of the Editorial Advisory Board of the newsletter Planned Giving Today and serves on the Editorial Review Committee of the magazine The Journal of Gift Planning.

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New MPGC Advertising Opportunities

MPGC is now offering advertising opportunities to its members and friends! Visit www.mnpgc.org and click on Advertising Opportunities under the About Us tab for more information.

MPGC is the professional association for people whose work includes developing, marketing and administering charitable planned gifts. Our 400+ members include fund-raisers for nonprofit organizations and institutions as well as consultants and professional advisors working in a variety of profit settings. ***What better way to reach this targeted audience than to get your name out there through advertisements?***

▶ **Advertise in the Newsletter:**

The Source is distributed electronically four times per year. Ads are positioned on the Table of Contents page and have the option of linking to your website. All advertisers must fill out a contract and mail or fax it to the MPGC office. Ads are accepted on a first-come, first-served basis. More information can be found [here](#), or download the ad contract [here](#).

▶ **Advertise on the Website:**

MPGC offers an opportunity for five advertisers to get exclusive visibility on the MPGC Website for the affordable rate of \$350 for the whole year. By advertising on the MPGC Website, you will reach a highly-targeted audience, provide a link to your Web site, and receive Web tracking reports. Ads are placed on the home page of the site to be viewed by all who visit the site. More information can be found [here](#), or download the ad contract [here](#).

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MPGC Hires New Management Firm

Ewald Consulting was recently selected by the Board of Directors to provide administrative services to the organization. Members of MPGC can rest assured that the Board of Directors conducted a careful process in making the decision to move.

Ewald Consulting is an association management firm located near Hwy 280 and University Avenue, on the border of Minneapolis and Saint Paul. The firm's offices are centrally located within the metro area and include ample meeting space that is available to boards, committees, and working groups. There are three Board rooms and additional rooms for smaller committees and working groups. The company, founded in 1982, consists of 41 professionals with experts in event planning, communication, finance, government relations, public relations, membership development and leadership development.

If you are interested, you can learn more about the company and its staff at www.ewald.com. You can also access resource articles and streaming audio on the topic of association management.

Ewald's work officially began January 1, though they worked with members of the Board through much of November and December in preparation for the transition.

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Upcoming Meeting Topics



MPGC Luncheon Meeting
May 12, 2009
11:30 a.m. - 1:30 p.m.
Midland Hills Country Club

REGISTER TODAY!

Please join us for the May 12 luncheon at Midland Hills. Our guest speaker will be Nancy Lee from Larson Allen. Nancy will provide us with insight related to managing non-profit organizations through economically challenging times. The topic ***“How to Weather the Recession as a Non-Profit: Meeting Your Challenges Head On”*** will focus on a number of issues including:

- ▶ How does an organization face these challenges head on?
- ▶ How can we make the most of our organization’s assets?
- ▶ Should we develop contingency plans? If so, what are the trigger points for execution of those plans?
- ▶ Is now the time to restructure?
- ▶ How should we communicate our needs to donors?

Prior to joining Larson Allen in 2005, Nancy served as chief financial officer at several nonprofit organizations for over 17 years. As Vice President-Finance for Goodwill/Easter Seals Minnesota she was responsible for overall financial leadership and oversight/analysis of financial systems and the organization’s financial results. As Vice President-Finance and Administration for Minnesota Children’s Museum she led the finance, human resources, facilities and museum floor operations functions. She has significant expertise in short- and long-term financial and operational planning at the organizational and project levels, and extensive background in managing organizations with diverse revenue streams. She is skilled in analysis and design of various financial and internal operating systems.

Please save the dates for the following meetings and topics this year:

▶ **July 21, 2009**

- ▶ **Breakfast: TBD**
- ▶ **Education Session: TBD**

▶ **September 8, 2009**

- ▶ **Breakfast: TBD**
- ▶ **Educational Session:** Laura Hansen Dean, J.D., Executive Director of Gift Planning at the University of Texas will discuss: Mile High Goals, Gift Planning in Mega Capital Campaigns.

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