

# **How to Benefit Charity in your Estate Plan**

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# How to Benefit Charity in your Estate Plan

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Step 1: Choose a charitable cause that is important to you.

Step 2: Select the assets to give.

Step 3: Determine how to make the gift.



# Choosing a Charity

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Which causes are meaningful to you?

Do you have a history of charitable giving?

Questions to ask yourself:

- What issues concern you?
- What do you worry about for future generations?
- How do you want to be remembered?

Guidance for vetting the individual charity





# Selecting the Assets

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- Cash
- Securities
- Retirement Account
- Life Insurance
- Annuity



## Determine How to Make the Gift:

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Designate charity as beneficiary of:

- Retirement plan
- Life insurance
- Brokerage or bank account
- Annuity



## Determine How to Make the Gift:

Leave gift to charity in will or revocable trust:

- Specific amount: \$10,000 to charity
- Specific asset: Real estate located at 555 Pelican Way, Boca Raton, Florida to charity
- Percentage of estate: 5% of my estate to charity

Other ways to give include:

- Charitable Remainder Trust
- Charitable Lead Trust

# Things to Consider

Impact: *When* will the charity receive the gift?

Is probate necessary?

- Non-probate assets vs. probate assets
- What is the probate process?

Role of the Office of the Attorney General (“OAG”)

# Role of OAG

OAG represents the public as the ultimate beneficiary of charitable gifts

OAG DOES NOT represent the charity



# Role of OAG

OAG is involved when:

1. Amount to charity is indefinite  
(For example: 10% of estate to charity)
2. Charity no longer exists
3. Charity is not specifically named  
(For example: Executor given discretion to select the charities)

# Role of OAG

- Fiduciary oversight (executors, trustees and their attorneys)
- Third-party oversight (caregivers, family members and friends)
- Uphold donor intent



# **Giving Wisely: Tips to Guide your Donating**

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# Giving Wisely:

## Tips to guide your donating

- Is a charity exempt, current and compliant?
  - IRS 501(c)(3) tax exemption?
  - Registered with NYS Charities Bureau?
- How does a charity spend its resources?
  - Administrative costs
  - Fundraising costs

# IRS Tax Exempt Organizations

- Not all tax exempt organizations are charitable (some social welfare organizations, homeowners' associations, etc.)
- Visit the IRS Tax Exempt Organization Search:  
<https://apps.irs.gov/app/eos/>
  - Search by org name, city and state to narrow results
  - Search will include link to IRS tax exemption letter

# Which charities need to register in NYS?

- Organizations that conduct charitable activities in NYS
- Organizations that hold assets for charitable purposes in NYS
- Organizations that solicit contributions in NYS, including from individuals, government agencies and foundations.

# What does soliciting include?

Requests for contributions...

- By telephone
- By mail
- By email
- In person
- Directly or indirectly



# Charities Bureau Registry

- Bureau maintains a public registry on its website:  
**[www.CharitiesNYS.com](http://www.CharitiesNYS.com)**
- Registry is on site's home page (upper right)
  - Enter charity's name
    - Click through to see annual financial disclosures and registration documents

# Charity Ratings

- Some websites rate charities' effectiveness. Factors can include
  - Annual revenue
  - Expenditures on programs
  - Administrative costs
  - Fundraising costs

Sites include Charity Navigator ([www.charitynavigator.org](http://www.charitynavigator.org)); CharityWatch ([www.charitywatch.org](http://www.charitywatch.org)).

# Charities' Fundraising

- Professional fundraisers for charities may retain a percentage of money raised
  - Visit Pennies for Charity database to see amount raised for many major charities in specific campaigns and amount retained by fundraisers.

<https://www.charitiesnys.com/pfcmap/index.jsp>

# Tips to Avoid Scams (1)

- Telemarketing:
  - Don't be pressured into giving.
  - Get specifics about charity's programs, if the telemarketer is being paid, and what percentage of your donation will go to the fundraiser.
  - You can ask to be placed on the charity's Do Not Call list
- Direct Mail:
  - Does the organization have a name that sounds like a well-known charity? Doublecheck it.
  - Does it claim a pledge you don't remember making?



# Tips to Avoid Scams (2)

- Giving online:
  - Check that you are giving on a page with a secure web address
  - If you give via an online platform (Facebook, GoFundMe, etc.) check whether a percentage of your donation is retained by the platform.
  - Give via a charity's own website
- How to Tell a Charity from a PAC
  - Ask if contribution is tax deductible
  - Ask what portion of your donation will go to charitable activities and which programs will benefit