Charitable Planning Guide

FIDELITY Charitable℠

Make more of a difference





Purpose of This Guide

This guide is an overview of the benefits of incorporating charitable giving into your financial planning, including common techniques to maximize philanthropic, tax and legacy planning goals. You will learn the benefits of tax basics, donating different assets, strategies to amplify your philanthropic efforts and tools to evaluate charities. With a stronger foundation of knowledge, you will be well prepared to drive more strategic and impactful charitable giving.

Like most financial matters, there may be tax and legal rules that apply to your specific circumstances. Be sure to consult with your financial advisor, legal advisor or tax professional before making any decisions. This guide is intended only to be educational in nature.

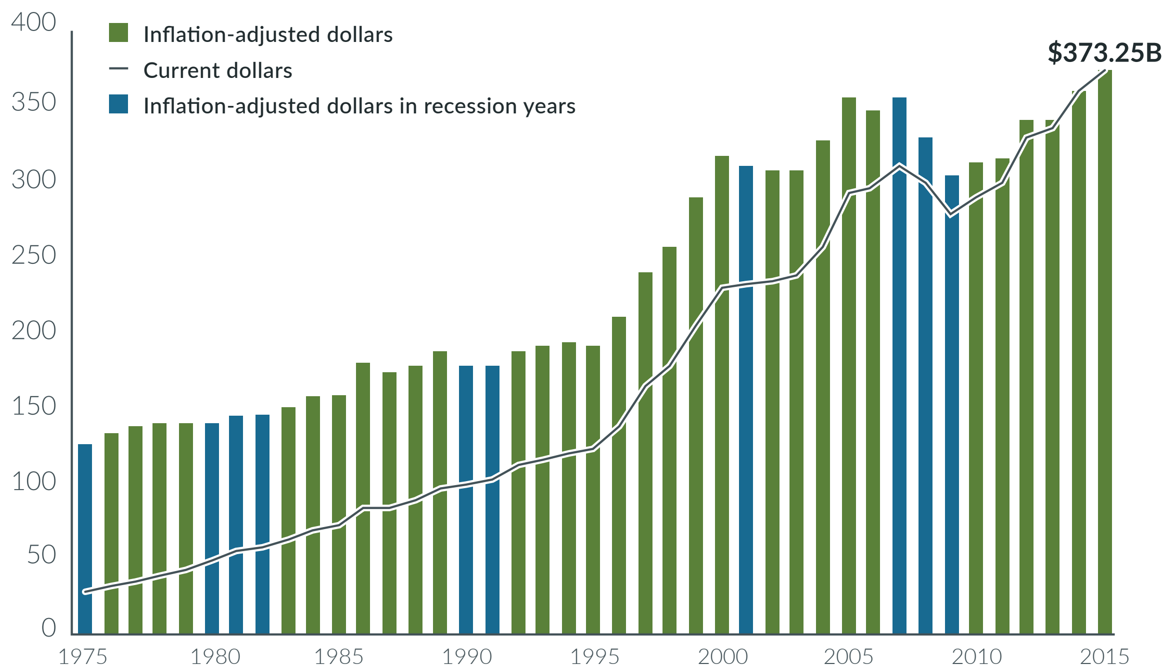
Content

The Charitable Landscape

Charitable giving is an American tradition. Most charitable organizations share the goal of improving quality of life, and philanthropy is a major source of funding for humanitarian causes, religion, education and the fine and performing arts.

In recent years, Americans have given well over $300 billion to charities annually—the majority of which came directly from individuals. In fact, over the past two decades, total charitable giving in the United States has grown 83% when adjusted for inflation. Even in times of economic downturn, giving has continued to grow above the rate of inflation. And when it comes to giving, Americans are not only generous with their dollars, but also with their time. Over the last several years, more than 60 million adults have volunteered billions of hours of service.[1]

Total Charitable Giving, 1975–2015
(in billions of dollars)[1]



Why do so many Americans give?

Americans are hardwired to be generous. They find that donating money and time is beneficial to themselves as well as to those helped by the gifts. Philanthropy provides significant emotional, psychological and financial advantages and can help you:

- Pass values on to family members about wealth and helping others
- Receive tax benefits while doing good
- Support your philanthropic goals while providing an income stream in certain situations
- Keep engaged and informed about issues that are important to you

[1] *Giving USA 2016: The Annual Report on Philanthropy for the Year 2015.*

Smart Giving: Assets and Tax Advantages

Think Beyond Cash

Giving money by cash or check is one of the most common ways to donate to a charity. However, there are alternative assets to consider that may enable you to give a larger contribution to charity while enjoying a greater tax benefit for yourself. These include:

Publicly traded appreciated securities you have owned for more than a year:

- stocks
- bonds
- mutual fund shares
- life insurance

Complex, non-publicly traded appreciated assets:

- private or restricted company stock
- shares of a privately owned business
- real estate

Donating long-term appreciated assets is a smart charitable planning strategy, because you are generally entitled to the full fair market value (FMV) tax deduction at the time of your gift.[1] Also, you may be able to eliminate capital gains taxes when you give these assets directly. Through these combined tax-saving opportunities, you may be able to give more to charity compared to selling the asset and donating the cash proceeds.

[1] Fair market value is determined by an independent qualified appraisal for non-publicly traded assets.

Tax Advantages

The federal government has established a variety of tax incentives to encourage charitable giving. These incentives may reduce your income tax, capital gains tax and/or estate taxes.

Income Tax

Charitable donations made to a qualified charity are tax deductible and may reduce the amount of income tax due. In most cases, you're entitled to a deduction amount equal to the fair market value of your contribution.

Although charitable contributions are 100% deductible, there are limitations against your Adjusted Gross Income (AGI) to what you can deduct in a given year.

	Public charities	Private foundations
Cash	50% of AGI	30% of AGI
Appreciated Securities[1]	30% of AGI	20% of AGI

You can carry forward deductions exceeding these limits for up to five years, although each year you are required to use as much of your present-year deductions as you can. There may be special circumstances and limits when contributing both cash and appreciated assets that warrant consulting with your advisor or tax professional.

Estate Tax

An estate tax is charged on the net value of your estate before it is passed on to your heirs. Many people, however, are not affected due to a number of exclusions and exemptions. For example, charitable donations to a qualified charity can be used to reduce this tax. Unlike income tax deductions, there is no limit to how much can be deducted from your estate tax.

Typically, donations that qualify for estate tax deductions happen at your death, according to the directions set in your will or other legal arrangement. You may also want to consider incorporating charitable giving into your financial plan during your lifetime, because a charitable gift while you are living removes the gifted assets (and any future appreciation related to those assets) from your estate.

Tip: An additional opportunity for people 70½ and older to consider, from an income tax perspective, is the donation of a qualified charitable distribution (QCD) from an IRA. A QCD can be contributed directly to an operating charity.[2] Unlike traditional required minimum distributions, QCDs are not subject to ordinary federal income taxes. QCDs are limited to $100,000 per taxpayer, per year.

It's worth noting that there are some charitable vehicles that are not eligible for QCDs, including donor-advised funds and private foundations. However, you should speak with your advisor about more advanced strategies that may allow you to take advantage of both QCDs and contributions to DAFs or private foundations.

[1] Limitations apply to long-term appreciated securities. Short-term securities have the same AGI limits as cash and you can only deduct the lower of basis or FMV.

[2] Consolidated Appropriations Act of 2016.

Capital Gains Tax

Short-Term Assets: Short-term assets are those owned for one year or less. If you sell the asset first and donate the proceeds to charity, any gain on the sale will be taxed at the ordinary income tax rate. If you donate the asset, your income tax deduction will be limited to the lesser of FMV or your cost basis in the asset. However, the IRS will treat this like a cash contribution, and it will be deductible against AGI up to 50% for a public charity and 30% for a private foundation.

Long-Term Assets: Long-term assets are those owned for more than one year. Long-term capital gains are taxed at lower rates. Depending on AGI and filing status, most taxpayers are subject to a 15% capital gains tax rate, while some top-rate taxpayers now face up to a 20% rate as well as a 3.8% Medicare surtax on net investment income.

When donating long-term appreciated securities, rather than selling the securities first and then donating the after-tax proceeds, you will generally be able to eliminate taxes on the capital gains, so the charities to which you give receive a larger donation.

Outlined below is a hypothetical example[1] showing the advantages of donating a long-term appreciated security as compared to selling the asset and donating the cash proceeds. In this scenario, the donor:

- Is in the 39.6% federal income tax bracket
- Has an asset that has an FMV of $50,000 that includes unrealized gains of $30,000 subject to a 20% capital gains and 3.8% Medicare surtax

With this example, you would be able to eliminate your capital gains tax and therefore donate an additional $7,140 to your charity, as well as receive a larger income tax deduction:

Value of Long-Term Appreciated Securities	$50,000	
	Donate Cash Proceeds	**Donate Securities Directly**
Capital Gains and Medicare surtax paid on $30,000 (23.8%)	($7,140)	$0
Net Charitable Donation[1]	**$42,860**	**$50,000**
Income tax deduction (39.6%)	**$16,973**	**$19,800**

$7,140 more

donated to charity with directly donated securities

As you can see, there is a variety of assets beyond cash that you may want to consider giving. These come with tax benefits, so you can donate more to the charities you support.

[1] *In addition to assumptions noted above, this example assumes a married couple, filing jointly, and a fully deductible donation at fair market value to a qualified public charity. It does not take into account state or local taxes, the alternative minimum tax, or limitations on deductions for taxpayers in higher income brackets. The charitable deduction is only available at the federal level if you itemize deductions. Charitable contributions of capital gain property held for more than one year are usually deductible at fair market value. Deductions for capital gain property held for one year or less are usually limited to cost basis. This is a hypothetical example for illustrative purposes only. Results will vary, depending on an individual's tax situation.*

Philanthropic Strategies and Charitable Vehicles

Though giving directly to a charitable organization is one of the most common ways to contribute, it is not the only option. A number of strategies and vehicles exist, each with its own potential benefits and considerations. Choosing the right approach for your situation can help you give more effectively and efficiently. Let's review three major strategies and potential giving vehicles associated with each strategy:

1. **Charitable giving during your lifetime**
   - Donor-Advised Funds
   - Private Foundations
2. **Charitable giving while generating income**
   - Charitable Remainder Trust
   - Charitable Lead Trust
3. **Charitable legacy giving**

Giving Vehicle Comparison Chart

Keep in mind, you are not limited to using just one vehicle. People often map out a charitable plan that leverages several of these vehicles together.

	Donor-Advised Funds[2]	Private Foundations	Charitable Lead and Remainder Trusts	Check, Cash or Credit
Organizations you can support	IRS-qualified public charities	Many organizations and individuals, as long as the grant is made for a charitable purpose	IRS-qualified public charities and, generally, private foundations	Public charities, private foundations and individuals
Growth potential	✓	✓	✓	✗
Donations of non-cash items	✓	✓	✓	✗
Income tax deduction[1]	50% for cash 30% for appreciated assets[3]	30% for cash 20% for appreciated assets[4]	Depends on the type of charity supported by the trust, and the type of trust	50%[5]
Tax on investment income	None	1% or 2% of net investment income	Depends on the nature of the trust	N/A
Option to support charities anonymously	✓	✗	✓	✗
Ability to name successors	✓	✓	✓	✗
Consider this when	You want a turnkey giving solution with low costs and the potential to grow tax free over time	You want to operate a charitable organization and potentially employ a staff, hire investment managers, actively manage grant making and sponsor charitable events	You want a trust that can generate income for, and eventually pass a remainder interest on to, heirs and charities	You want to make one-off donations and manage your own donation receipts at tax time

[1] At a 501(c)(3) public charity.

[2] Percentage of adjusted gross income (AGI).

[3] Appreciated assets held over a year are generally deductible at fair market value (this applies to both publicly and non-publicly traded assets).

[4] Appreciated, publicly traded assets held for over a year are generally deductible at fair market value, while non-publicly traded assets are generally deductible only at basis.

[5] When donating to a public charity. 30% when donating to a private foundation.

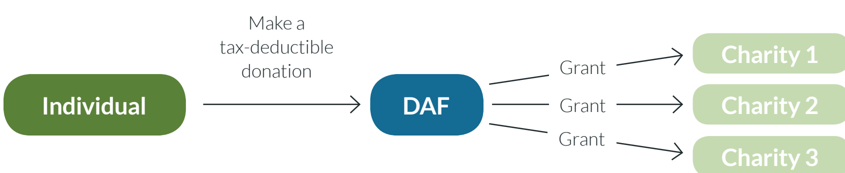
1. Charitable giving during your lifetime

A variety of giving vehicles can support the strategy of charitable giving during your lifetime.

Let's take a look at these options.

- Donor-advised funds (DAFs)
- Private foundations

Donor-Advised Fund



Tip: Establishing a donor-advised fund can be a particularly useful strategy to offset a year with unexpectedly high earnings or to address the tax implications of year-end bonuses. It allows you to take a tax deduction immediately, and provides flexibility for granting to additional charities in the future.

What is it?

A donor-advised fund, or DAF, is a charitable giving vehicle sponsored by a public charity that allows you to make an irrevocable contribution to that charity and be eligible for an immediate tax deduction. You can then recommend grants over time to any IRS-qualified public charity. The initial contribution used to establish a DAF can be minimal compared to other giving vehicles.

Benefits:[1]

- Take an immediate tax deduction for your charitable contribution
- Support the charities you care about right away or over time
- Ongoing contributions and subsequent grant recommendation process are easy with a DAF
- Potentially grow your donation tax free by recommending how the funds should be invested until a grant is made
- Streamline your recordkeeping and consolidate tax receipts, all in one centralized, online location
- Support charitable causes anonymously, if you wish

Considerations:

- While you choose where to make grant recommendations, the sponsoring charity has ultimate control over the grants.
- Sponsoring charities of the DAF are required by law to ensure that grants are only made to qualified charities and are used exclusively for a charitable purpose. Consequently, grants cannot be used to support non-501(c)(3) entities or be used to satisfy binding pledges.

Who's a good fit?

Because donor-advised funds can be established with an initial contribution as low as a few thousand dollars, they are a great choice for many donors. Not only do donors choose DAFs to support strategic giving for themselves, they also establish DAFs in the name of their families to continue the legacy of philanthropic giving.

[1] *These benefits are typically associated with DAFs, although specific rules and guidelines may differ.*

Private Foundation

What is it?

A private foundation is a charitable organization typically established by an individual or family with a substantial initial gift. Private foundations are overseen by a board of directors or trustees responsible for receiving charitable contributions, managing and investing charitable assets and making grants to other charitable organizations.

Benefits:

- Establish a legacy beyond your lifetime, and allow family members to be employed or serve as members of the governing board.
- Potentially generate more assets through investment management to support the private foundation's charitable mission.
- With full control over grant making, you can support more than just 501(c)(3) charities. By following proper IRS procedures, grants can be made to additional causes including charitable programs undertaken by individuals, scholarship programs and other entities.

Considerations:

- Generally requires a substantial initial contribution
- Charitable deductions are limited to 30% AGI for cash and 20% AGI for long-term publicly traded appreciated securities, as compared to the 50%/30% limits with some other charitable vehicle options
- Non-publicly traded contributions, such as privately held stock or real estate, may only be deductible at basis rather than FMV
- Administratively complex and requires legal setup and ongoing maintenance, including annual filings and other reporting, eliminating the option to give anonymously
- Requires a 5% distribution of assets each year
- While private foundations are exempt from federal income tax, the investment income is subject to a 1% to 2% excise tax

Who's a good fit?

Individuals interested in becoming more immersed in the execution of their giving strategies including operating an organization, potentially hiring a staff and investment managers, actively managing grant making or sponsoring charitable events are good candidates for a private foundation.

2. Charitable giving while generating income

Some charitable solutions can support dual objectives of generating income while pursuing philanthropic goals. Charitable trusts offer flexibility and some control over your intended charitable contributions as well as lifetime income, thereby helping with retirement, estate planning and tax management.

Generally speaking, there are two types of charitable trusts—charitable remainder trusts (CRTs) and charitable lead trusts (CLTs). Both types of trusts "split" the assets between charitable and non-charitable beneficiaries. Which type you choose depends on your priorities, with respect to estate planning and wealth preservation and how you want the charity to receive the gift.

Tip: Consider combining strategies of using a charitable trust with a donor-advised fund for greater flexibility. If you make the beneficiary of a charitable trust a public charity that sponsors a DAF, you can more easily adjust and recommend grants through the DAF.

This strategy provides greater flexibility, with charitable granting at a significantly lower cost than amending a charitable trust, which may be prohibited.

Charitable Remainder Trust (CRT)

What is it?

There are two main types of charitable remainder trusts:

- **Charitable remainder annuity trusts** distribute a fixed annuity amount each year, and additional contributions are not allowed
- **Charitable remainder unitrusts** distribute a fixed percentage based on the balance of the trust assets (revalued annually), and additional contributions can be made

Both are an irrevocable transfer of cash or property and are required to distribute a portion of income or principal to either the donor or another beneficiary. At the end of the specified lifetime or term, the remaining trust assets are distributed to a charitable remainder beneficiary.

Benefits:

- Preserve the value of highly appreciated assets by contributing the asset to the CRT, sell it within the trust as tax-exempt, and eliminate large capital gains taxes, thereby donating the full value of the property to the CRT.
- Immediate potential to take a charitable deduction, against the income or gift tax for the present value of the trust's assets that are to pass to the qualified charity (the remainder beneficiary).
- Investment income is exempt from tax. This makes the CRT a good option for asset diversification. You may consider transferring low-basis assets to the trust so that when sold, no income tax or capital gains tax is recognized on the sale. However, the named non-charitable beneficiary will pay income tax on the income received.

Considerations:

- Per the IRS, the annual annuity must be at least 5% but no more than 50% of the trust's assets
- A trust's term may be fixed but can be no longer than 20 years, or it can be for the life of one or more non-charitable beneficiaries
- There are some types of assets that should not be used to fund a CRT, including S-corporation stock, since a CRT is not an eligible S-corporation shareholder[1]
- CRTs require legal setup and ongoing maintenance costs

Who's a good fit?

- The CRT is a good option if you want an immediate charitable deduction but also have a need for an income stream to yourself or another person. If you set instructions to establish a CRT at your death, it is also a good option to provide for heirs, with the remainder going to charities of your choice.

[1] *"Small Business Job Protection Act of 1996," Public Law 104–188; signed into law on August 20, 1996.*

Charitable Lead Trust (CLT)

What is it?

A charitable lead trust is the inverse of a CRT. It's an irrevocable trust that generates a potential income stream for the named charitable beneficiary, with the remaining assets eventually going to family members or other beneficiaries.

Charitable lead trusts are not tax exempt, and you will need to decide the tax treatment of the trust when it is created. There are two types:

- Non-grantor lead trust: The trust's income each year is not taxable to the grantor (the person who funded the trust). In this case, you will not receive an income tax deduction for creating the trust. The trust pays tax on the income, and the trust claims a charitable deduction for the amounts it pays charity.
- Grantor lead trust: In a grantor CLT, the grantor can take an immediate charitable contribution deduction for the present value of the future income stream, subject to applicable percentage limitations depending on whether a public charity or a private foundation is the beneficiary. However, this benefit is mitigated by the fact that the trust income is taxable to the grantor during the term, with no offsetting of future charitable deductions as the amounts are paid to the charity.

Benefits:

- Donors choose the term of the trust and the amount distributed, at least annually, to charity
- Assets used to fund a charitable trust are removed from your estate, and may not only reduce the amount of tax your estate has to pay upon your death, but may also preserve funds for your heirs

Considerations:

- A CLT is not tax exempt. Trust income is taxed like the income of any other complex or grantor trust.
- Requires legal setup and ongoing maintenance costs.

Who's a good fit?

This is ideal if you want to pass appreciated property to heirs and reduce gift and estate tax consequences, and are also comfortable about parting with the income for a number of years in return for estate and gift tax savings.

3. Charitable legacy planning

Many people have the goal to extend their tradition of giving beyond their lifetime. As you plan for philanthropic support as part of your legacy, a charity (including a DAF) can be named as the beneficiary of a will or a revocable or irrevocable trust. Vehicles such as DAFs and private foundations can also enable family members to continue philanthropy after your lifetime, thereby furthering your charitable legacy across generations.

Retirement assets may be good candidates for charitable bequests after death, because they can be among the highest-taxed assets in any estate. Leaving your retirement assets to a charity offers two distinct advantages:

- Increases the impact of your bequest, as the charity is not required to pay income taxes on donations from retirement account assets.
- Decreases the estate tax burden for your family. Your retirement assets pass directly to the charitable organization, so the distribution to charity is generally deductible due to the unlimited estate tax charitable deduction.

Tip: Make sure your beneficiary designations are up to date. With missing or incorrect designations, your assets may not be distributed as you intend, or your charitable beneficiaries may have to wait to take ownership and incur costs due to probate. The rules for 401(k) plans and other qualified retirement plans are similar to those for IRAs. If you are married and you want to designate beneficiaries other than your spouse, you may need written consent from your spouse. Contact your plan's administrator for specific rules governing your qualified plan.

Community Foundation

As you consider your philanthropic strategies, it is worth sharing information about community foundations to understand where they fit into the landscape of nonprofit organizations.

What is it?

A community foundation is a public charity that typically focuses on supporting a geographical area or a specific cause. It facilitates donations from people to support a variety of programs in that area. Community foundations offer numerous types of programs, frequently including donor-advised funds, endowments, scholarships, field-of-interest funds, etc. Community foundations may also allow for both national and international granting, depending on the focus.

Benefits:

- Support your community more intelligently by leveraging a deep understanding of a region to direct charitable funds where they can be most beneficial
- Participate in a variety of programs including scholarship funds, dedicated funds, field-of-interest funds and donor-advised funds

Considerations:

- Expertise tends to focus on supporting a specific geographical area, so for charitable expertise beyond a local community, a different strategy may be needed[1]
- Different programs within the community foundation offer varying levels of restrictions on your involvement after you make your donation
- Typically, a community foundation has a higher initial contribution and administrative fees than a DAF at a national sponsor, yet the costs are lower than a private foundation

Who's a good fit?

A community foundation is a good choice if you are focused on supporting a specific region, cause or local organization. It often serves to bring people together who want to focus their funds and time on a common cause.

[1] Many community foundations offer giving vehicles, such as a DAF, that may open up the ability to grant beyond the geographic focus.

Maximizing Your Charitable Giving

With more than 1.8 million nonprofit organizations operating in the United States, how do you choose the organizations working on the issues you care about? The following tips and tools can help you make the most of your philanthropic efforts and evaluate nonprofit organizations. Consider the following three-step process:

1. Start by discovering your mission.

When your giving has a clear purpose, it becomes more satisfying, focused and effective. Consider your values, life experiences, interests and close relationships, and create a personal charitable mission statement to guide your giving. A charitable mission statement is typically one to three sentences that put the purpose of your giving into words.

2. Create an action plan.

Next, it's time to decide how you can make an impact on the charitable causes you care about. Your action plan should include steps to:

- Learn more about your target purpose.
- Map out how you want to help through your time, talents and networks.
- Allocate financial resources to achieve the highest impact. Using the information in this guide to decide what assets to give and what vehicles to leverage may allow you to give more than you thought possible.

3. Decide where to give, and choose the right nonprofits.

Supporting an organization, either financially or with your time and expertise, is an investment. As with any investment, you want to be sure that the organizations you support are trustworthy and effective. To determine if a nonprofit is well positioned to address the problems it is trying to solve, consider asking the following questions:

Does the nonprofit have a clear mission and purpose?

Your first concern is whether the mission is in line with your charitable goals. A good mission statement is easy to understand and clearly articulates both the primary purpose of the organization and the community it seeks to serve.

Do strong practices, procedures and policies guide the nonprofit's operations?

Effective nonprofits also follow good practices in three functional areas: finance, governance, and organizational and program development. Much of this information is available in annual reports and newsletters or online via websites. Another resource is the organization's IRS Form 990, which covers information on its financial health and how it spends its money.

Does the nonprofit have the ability to mobilize others?

The ability to mobilize and engage volunteers, other nonprofits, businesses and government agencies is an essential skill for nonprofits seeking to address the root causes of problems and bring about long-term change.

In the back of this Charitable Planning Guide, you will find worksheets to help create a Charitable Mission Statement and get organized with an Action Plan.

Tip: There are resources that can help you feel confident in your giving decisions. Here are a few to get you started:

Charity Navigator

Thousands of charities are rated on a numbers-based system by a team of analysts.

Give.org

The website of the Better Business Bureau's Wise Giving Alliance produces reports about national charities.

GuideStar

Easily compare charities and gain access to their financial information. If the organization does not have a website, this is another place you can look to learn about its mission.

Additional Resources

Here are some other helpful resources to assist you in your philanthropic journey:

- **Glossary of Key Terms:** easy access to commonly used terms in philanthropic discussions
- **Discover Your Mission Worksheet:** create a personal charitable mission statement
- **Action Plan Worksheet:** organize and plan your next steps to making a philanthropic difference

Glossary

Adjusted Gross Income (AGI)[1]

Total income reduced by certain amounts, such as contributions made to a charity or traditional IRA, or for student loan interest payments.

Capital Gains

Assets owned for investment purposes are considered a capital asset. Examples include real estate, stocks and bonds. When a capital asset is sold, the difference between the basis in the asset and the amount it is sold for is a capital gain or a capital loss.

Complex Assets

Non–publicly traded assets such as real estate or privately owned businesses.

Estate Tax[2]

A tax levied on the net value of the estate of a deceased person before distribution to the heirs.

Fair Market Value

The price at which property would change hands between a willing buyer and a willing seller, both having reasonable knowledge of the relevant facts.[1] When it comes to charitable deductions of cash, this is equal to the amount given. The fair market value for publicly traded stocks and bonds is determined from the average of the high and low selling prices of the security on the date of the contribution. The fair market value for a mutual fund is based on the ending net asset value (NAV) on the date of the contribution. The fair market value of a non-publicly traded asset is determined by a qualified independent appraisal.

Income Tax

Taxes on income, both active (for example, salaries, wages, tips, commissions) and passive (for example, interest and dividends).

Irrevocable Trust

A trust that cannot be modified or terminated without the permission of the beneficiary. The grantor, having transferred assets into the trust, effectively removes all of his or her rights of ownership to the assets and the trust.

Net Asset Value[2]

The value of a mutual fund that is reached by deducting the fund's liabilities from the market value of all of its shares, and then dividing by the number of issued shares.

Revocable Trust

A trust that can be altered or terminated during a grantor's lifetime. The trust is considered part of the grantor's estate and is subject to taxation.

Trust[1]

A separate legal entity that owns property or assets of some kind for the benefit of a specific person, group of people or organization (known as the beneficiary/beneficiaries).

[1] *Tax Dictionary, https://www.taxact.com/tax-terms/tax-dictionary.asp.*

[2] *Oxford Dictionaries, http://www.oxforddictionaries.com/us/definition/american_english/net-asset-value?q=net+asset+value.*

Discover your mission

Create a personal mission statement to guide your giving

1 Reflect on what inspires you

2 Determine where you will focus

3 Discover your mission

A mission statement helps you focus your giving on what matters most to you. This worksheet walks you through the steps to create your giving mission statement, which will reflect your personal values and articulate your goals.

Want to create a joint or family mission statement? Complete the first two steps of the worksheet separately, and then discuss your answers together to develop a shared purpose in giving.

1. What inspires you to give?

Your values, experiences and beliefs are what inform your giving. Before you create your statement, reflect on what inspires you to give.

What are some formative experiences in your life? How did they shape you?

Who are the people who have been strong influences on you? What have they taught you?

When you think about our world and society, what inspires or upsets you?

What are some of your core values or principles?

What motivates you to give?

2. Where will you focus?

Your mission statement describes what you want to accomplish with your giving. Consider the following questions and how they will inform your mission.

What issues do you want to affect? Why? How?

What population do you want to focus on?

What is your geographic scope?

What is your vision or long-term goal for your giving?

3. Write your mission statement.

Drawing upon the values, interests and motivations you described above, write a one- to three-sentence mission statement for your giving.

Sample mission statements:

To honor my mother's work as a pre-K teacher, I will give to early childhood education programs in my state so all children arrive at kindergarten ready to learn. I will help veterans successfully transition out of the military by funding programs that provide job support services.

Create an action plan

Plan your next steps to create impact with your giving

You've decided how you most want to make a difference with your giving. But how do you get started? This worksheet will help you create an achievable action plan to accomplish your giving goals, including identifying the immediate next steps to take.

1. Learn more

What will you need to know to make a difference? Check all the action items you'd like to take on, to better understand your target issue or area.

- ☐ Develop a list of nonprofits doing work in your area of interest and research them.
- ☐ Conduct online research about most effective approaches to solving the problems or serving the communities you care about.
- ☐ Connect with other donors and experts who share your passion and ask them questions.
- ☐ Attend events related to your issue or interest.
- ☐ Set up an online news search to stay current on your issue or interest area.
- ☐ Talk to people closest to the problem or most affected by your issue or interest area.

2. Decide how you want to help

Your time, talents, skills, networks and experiences can be valuable assets for your giving. Consider what you're willing or able to do in addition to providing any financial support.

- ☐ Create a list of the skills and expertise you bring to the table. Identify the skills you would—and wouldn't—like to use in your philanthropy.
- ☐ Commit to spending a specific amount of time each month on your philanthropy.
- ☐ Reach out to organizations to explore volunteer opportunities.
- ☐ Arrange an introduction between the nonprofit and a contact who could help them.
- ☐ Commit to serve on a board or committee, lead or participate in a volunteer project, or take on another regular volunteer role.
- ☐ Host a fundraiser or advocacy event.
- ☐ Attend a public meeting or event to advocate.
- ☐ Write a letter to the editor, a lawmaker, or other influencer to raise awareness.

3. Allocate your financial resources

How will you fund your giving? Consider how you can best use your financial resources to achieve philanthropic impact.

- ☐ Create a budget for giving on a monthly or annual basis.
- ☐ Create target short- and long-term donation amounts and frequency.
- ☐ Discuss giving goals with your family or partner.
- ☐ Discuss charitable giving with your advisor and incorporate it into your financial or legacy plan.
- ☐ With your advisor, discuss and identify potential long-term appreciated assets to use for charitable giving.
- ☐ Explore options for including charitable giving in a legacy plan.
- ☐ Investigate corporate matching-gift options at your workplace.
- ☐ Make a charity a beneficiary of your will or estate plan.
- ☐ Investigate whether a giving vehicle such as a charitable annuity or donor-advised fund could be right for you.

4. Commit to your action plan

You've identified the action steps you'd like to take to achieve your charitable mission.

Now, choose the steps from the list above that you'd like to prioritize this year and write them below.

This year, I will…

1. ______________________________

2. ______________________________

3. ______________________________

Next, choose one to three steps from the list above that you can commit to doing in the next three months and write them below.

Within the next three months, I will…

1. ______________________________

2. ______________________________

3. ______________________________

Add these three short-term items to your "to do" list, and schedule a calendar reminder to revisit this plan in three months to decide what you'll accomplish next. You'll be surprised by how much you can accomplish when you break it up into small steps and create some regular checkpoints.

Want to learn more about smart giving?

Talk with your advisor.

Or contact Fidelity Charitable at

800-262-4923

FidelityCharitable.org

Learn more about charitable planning from working with your advisor or call Fidelity Charitable at 800-262-4923.

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