



PLANNED GIVING CREATIVE OPPORTUNITIES TO CONTRIBUTE (U.S.)

A Guide for Donors

Not everyone has disposable assets to fund an outright gift of cash or securities to demonstrate their regard for Rotary. To expand giving opportunities, Rotary offers a variety of ways to structure a gift that can provide additional benefits to the donor while making it possible to support important Rotary activities.

In addition to giving through their estates, donors may structure a life income gift, which provides tax benefits and the potential for payments for life. Additionally, The Rotary Foundation operates a donor advised fund that allows individuals and groups to manage U.S. charitable dollars more effectively now and into the future.

Testamentary Gifts: Contributions That Don't Affect Today's Bottom Line

Perhaps the easiest, and most significant, way to support Rotary is to include a commitment in your estate plan. Individuals and couples can make provisions within a will or trust, name Rotary as the beneficiary of an insurance policy or retirement plan, and transfer ownership of a bank or investment account automatically after death. Rotary recognizes such generous planning with the following:

Benefactor Individuals who have made Rotary's Endowment Fund a beneficiary in their estate plans or who have made an outright gift of \$1,000 or more to the Endowment Fund.

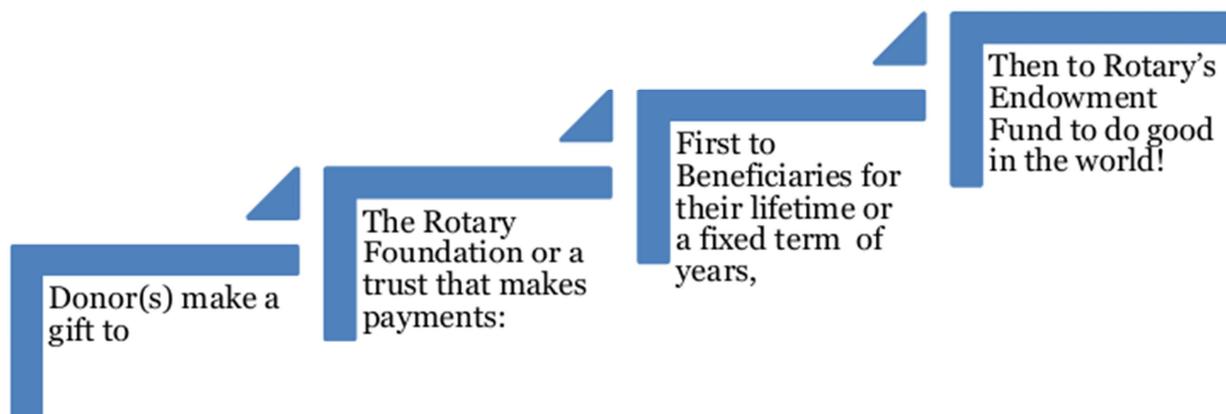
Bequest Society Individuals and couples who commit not less than \$10,000 in an estate plan to The Rotary Foundation.

Resources *Your Rotary Legacy* brochure; Frequently Asked Questions Legacy Guide; www.rotary.org/plannedgiving.

Rotary's goal is to raise \$1 billion in net assets and gift commitments by 2017 — its 100-year anniversary. We hope that every Rotarian establishes a personal legacy by making some type of provision for Rotary in their estate plan.

Life Income Gift: Contributions That Can Increase Disposable Income

People are often surprised to learn that they can make a gift and obtain special benefits, such as a tax deduction, lifetime payments, payment rates higher than a CD or dividends, future financial security, and capital gains tax avoidance — all with one gift. Life income gifts come in several shapes and sizes to meet many donor needs, and all of them offer appropriate Major Donor and or Arch C. Klumph Society recognition.



Charitable Gift Annuities

Simple. Comforting. Give a gift of cash or publicly traded securities and get a contract from Rotary to pay you or a loved one a fixed amount each year regardless of fluctuations in the economy. You will receive a charitable tax receipt in the year of the gift and avoid immediate capital gains tax for gifts of appreciated securities. Make your gift and know you have supplemented your financial future.

Deferred Gift Annuity

Instead of taking your annuity payments immediately, defer the start date to allow Rotary to provide a higher payment rate. You can plan for retirement or other future life events and maximize your benefit with higher payment rates and tax benefits. Each case is unique so request a sample illustration and always speak with your financial adviser.

Idea

Be creative; set up an annuity that starts paying your loved one a fixed amount each year in their birthday month. They will love the extra fun-money and the fact that you are supporting Rotary while celebrating their birthday.

Pooled Income Fund

Your gift is pooled with contributions from other donors and invested. The income paid is based on the fair market value of the gift and the variable rate of return that the fund is producing. The fund's investment objective is to secure a reasonable current rate of return consistent with the preservation and long-term growth of principal. A gift to the Pooled Income Fund offers nice tax benefits and a hedge against inflation.

Charitable Trusts Establishing an irrevocable charitable remainder trust (CRT) has additional costs, but offers similar benefits to an annuity — flexibility and a variety of options. A CRT can be funded with cash, real estate, publicly traded stock, closely held stock, and certain other assets. Payments are not backed by Rotary but instead by the trust assets alone, and the trust has the opportunity to increase with market performance. The trust pays the income beneficiaries at a rate of not less than five percent.

If The Rotary Foundation is named as the sole, irrevocable beneficiary of the remainder interest of a trust, Rotary can split the fees and act as trustee for the following CRT options:

A Charitable Remainder Annuity Trust, which provides fixed payments that are a percentage of the initial trust value, which is determined when the gift is made. Additions cannot be made to an annuity trust, nor can it be funded with real estate.

A Charitable Remainder Unitrust, which provides variable payments that are a fixed percentage of a fluctuating amount (the fair market value of the trust determined annually).

A Charitable Remainder Unitrust with a flip provision, which provides initial payments of only trust income. Then, after a certain date or event, the payments flip to a straight percentage payout. This option is ideal for retirement planning and gifts of real estate.

Limitations All life income gifts have a minimum beneficiary age of 50 and a minimum gift value: \$100,000 for trusts, \$10,000 for annuities, and \$5,000 for the Pooled Income Fund. All remainder amounts benefit The Rotary Foundation’s Endowment Fund.

Resources Planned giving officer and www.rotary.org/plannedgiving.

Charitable Lead Trust: Provide Support and Transfer to Heirs Tax Free

Charitable Lead Trust Assets are placed into a trust that annually pays Rotary from the income and if necessary from trust assets; the assets are returned to the donor or donor’s designee (usually heirs) at the end of the trust term. Major Donor recognition is awarded for the amount calculated to ultimately benefit Rotary. While Rotary does not act as trustee, we are happy to discuss the options for making a gift to the Foundation via trust.

Resources www.rotary.org/plannedgiving.

Donor Advised Fund: Manage Charitable Contributions with Ease through Rotary

Donor Advised Fund (DAF)

A DAF is easier than having your own foundation. Open an account with \$10,000 or more and recommend grants to your favorite U.S.-based charities at your convenience. You decide how you want account funds invested and when to make grants to IRS-approved charities. Rotary provides professional asset management and takes care of all of the administrative details.

Contributions are irrevocable and U.S. tax deductible in the year they are made, allowing you to maximize your deductions in years when it would be most beneficial. With gifts of appreciated publicly traded securities, you will have no capital gains tax liability.

Rotary offers individual and legacy accounts for Rotarians and friends of Rotary, and group accounts for clubs, districts, and Rotary-affiliated groups. Each type makes an annual transfer to Rotary's Annual Fund. Bequest Society recognition may be awarded to donors when they establish an individual and legacy account.

Resources

The Rotary Foundation Donor Advised Quick Guide; and www.rotary.org/plannedgiving.

Life Insurance: Transform Protection into Progress

Sometimes the best gift is right under your nose. Often individuals purchase life insurance and come to realize later that they no longer need the potential benefit. You can easily transform that family and personal protection into good works and community support worldwide.

Beneficiary

Name The Rotary Foundation as the beneficiary of an existing life insurance policy, and you will receive Benefactor or Bequest Society recognition.

Term Life

Term life insurance policies are not assignable, but you may designate The Rotary Foundation as a beneficiary. No recognition is given until payment is made under the policy.

Transfer Ownership

Whole and universal life insurance policies may accrue cash value and are usually assignable. The donor of a whole or universal life insurance policy will receive Major Donor recognition at the time ownership is assigned to the Foundation and accepted by Rotary. Limitations apply.

Resources

Rotary Foundation Gift Acceptance Policy; www.rotary.org/plannedgiving.

IRA Charitable Rollover

2013

Periodically, Congress allows individuals 70 1/2 years of age or older to transfer funds directly from an IRA to a qualified charity without increasing federal taxable income.

Consult with your adviser to see if you could benefit from this limited opportunity this year. Certain individuals who might not otherwise be able to use a charitable deduction can benefit by using IRA assets at any amount. If you are interested in making a Major Gift, this could be a great opportunity to use an asset that would otherwise be taxable.

Resources

www.rotary.org/plannedgiving.

Thank you for considering a gift to The Rotary Foundation.

www.rotary.org/plannedgiving has additional information.

Before making any charitable gift we recommend that you consult with your personal legal, tax or financial advisor.



Rotary

PLANNED GIVING

CREATIVE OPPORTUNITIES TO CONTRIBUTE (U.S.)

A Guide for Professionals

Rotary Supports Planning Professionals

Some individuals know that planned gifts can help them (a) plan for future financial needs, (b) use nontraditional assets, or (c) provide for the support of loved ones while also supporting Rotary programs. Others may not realize that a planned gift could actually resolve concerns over future financial uncertainties and obligations.

The following list of common reasons people hesitate to make a planned gift can actually be turned into opportunities using the solutions provided in this guide:

- Planning for retirement or concern over resources in retirement
- Paying for children's college education
- Selling a business
- Tax issues (need deduction or cannot take one this year)
- Unknown future health care expenses
- Concern about care of others (spouse, parents, children)
- Concern about outliving resources
- Need to address multiple charities and limited assets
- Saddled with costs of owning underutilized real estate
- Concern about capital gains tax on appreciated securities
- Concern about earnings available from current assets (CDs and dividends)
- Wanting to provide for their children and other heirs
- Trying to avoid unnecessary estate taxation
- Thinking about finding an alternative to a new or existing private foundation
- Wishing to pass on charitable values to children and future generations

As a trusted adviser and friend of Rotary, you are in the unique position to translate these valid concerns into possible solutions through The Rotary Foundation's planned giving options. The following is a detailed analysis of why people might structure a gift and when they might appreciate your advice and guidance.

Planned Giving Solutions

Limited Opportunity: The 2013 IRA Charitable Rollover

Who	What	When	Why
U.S. residents with IRA (Individual Retirement Accounts) assets who are 70 1/2 years or older	Transfer IRA assets directly to charity without increasing taxable federal income	Funds must be received by Rotary on or before 31 December 2013	<ul style="list-style-type: none"> • Use IRA funds without increasing taxable income • Already used full charitable deduction for the year • Want to give a gift of a lifetime • Have to take required minimum distribution anyway • Concern over alternative minimum tax • No longer itemize • Have a Paul Harris Society commitment to fulfill
Amount	Recognition	Global Issues	Other
No minimum; maximum is \$100,000 per person	Major Donor or Paul Harris Society available	U.S. only	Does not apply to 401(k), SEP (simplified employee pension), and other retirement accounts

Testamentary Giving: Plan Now to Leave a Legacy Later

Who	What	When	Why
Everyone	Will, trust, retirement plan, bank, or brokerage account pay on death order, other property with title, insurance beneficiary designation	At any stage in life, over 70 is most common but many people are planning even earlier	<ul style="list-style-type: none"> • Value Rotary and Foundation programs and want to support the Foundation's mission • Want to reduce estate taxes • Want to leave a personal legacy • Do not have heirs that need the resources • Want to perpetuate Paul Harris Society level giving • Concerned about outliving resources but want to support Rotary programs • Benefitted as an alumni of Foundation programs
Amount	Recognition	Global Issues	Other
No restriction; \$25,000 to the Endowment Fund qualifies for a named fund	Bequest Society \$10,000; Benefactor is any amount to the Endowment Fund	Local law and customs affect the process and publicity for bequests	Idea. Help us identify and recognize individuals who have already included Rotary in their plans but never told the Foundation. Consider inviting Rotarians you know to make an estate gift.

Life Income Gifts with Rotary: Give Now and Maximize Benefits

Who	What	When	Why
<p>Individuals and couples who are older than 50 and appreciate the security of potential lifetime payments</p>	<p>Charitable Remainder Trust (CRT); Charitable Gift Annuity (CGA); Pooled Income Fund (PIF); and other options in which Rotary contracts to make payments or acts as trustee</p>	<p>Minimum age is 50, common prior to retirement; annuities most beneficial after age 70</p>	<ul style="list-style-type: none"> • Support the Foundation’s programs • Obtain U.S. tax benefits in the year of the gift • Provide lifetime payments for self or loved one • Avoid capital gains on the transfer of appreciated assets • Increase annual income • Possibly reduce estate taxes • Provide financial security in retirement years • Address concerns about outliving resources • Use to make payments to elderly parent or college-age student for limited period of time • Obtain benefit from appreciated or underutilized assets
Amount	Recognition	Global Issues	Other
<p>Minimums: \$5,000 for PIF; \$10,000 for CGA; and \$100,000 for CRT</p>	<p>Major Donor or Arch C. Klumph Society</p>	<p>The Foundation has CGA contracts with Rotarians in Japan</p>	<p>All can be funded by cash, credit card, or stock transfer; real estate can be used for certain trusts only; annuities are backed by the Foundation’s assets; the PIF and trusts are backed only by the assets of the trust; Life Income Agreements benefit the Endowment Fund</p>

The Rotary Foundation Donor Advised Fund (DAF) – Group, Individual, and Legacy Accounts

Who	What	When	Why
Any Rotarian, spouse, group of Rotarians, or interested individual in the U.S.	“Charitable checking account” – contributions are irrevocable gifts to the Foundation, but the donor may recommend grants to U.S.-based charitable organizations in good standing	Anytime, but often funded at year end when U.S. tax liabilities are estimated	<ul style="list-style-type: none"> • Desire to manage charitable dollars and support the Foundation • Enjoy connection with the Foundation • Need to improve local club or district management of charitable dollars • Want to donate money rather than pay taxes • Desire to transfer charitable giving tradition to heirs • Want to leave a legacy to the Foundation without changing will • Want to make recommendations in investments to potentially grow charitable dollars tax free
Amount	Recognition	Global Issues	Other
\$10,000 to open; no minimum balance required	None for opening the DAF; Major Donor, Paul Harris Society, and Arch C. Klumph Society available when transfers are made to Foundation programs	Certain Rotarian nonresidents may fund an account if they need a U.S. tax receipt or are not concerned about tax benefits	No Paul Harris or Major Donor recognition when donating to a DAF; consult the senior planned giving specialist to learn about other recognition. At death, a minimum of 50 percent of DAF is transferred to the Endowment Fund. Annually one percent of group accounts and \$250 from individual accounts is transferred to the Annual Fund, for which the account earns Paul Harris recognition points.

The number of reasons for structuring a planned gift is exceeded only by the multitude of benefits provided around the world through Rotary programs. By understanding what Rotary offers to help structure your gift, you will be in the position to help change the world.

Thank you for reviewing this material and for reaching out to your partners in this effort: Rotary Foundation planned giving staff. We are here to help.



GIFT AND ESTATE PLANNING PROFESSIONALS GROUP PLANNED GIVING RESOURCES

Real People — The Planned Giving Team

The planned giving team at Rotary is available to work with any donor, adviser, client, or Rotarian as needed. Staff will prepare customized, up-to-date illustrations of the possible benefits of any planned gift, draft necessary contracts and trusts for gifts in progress, and provide materials needed for U.S. tax purposes. Personal visits are available in certain circumstances.

Planned Giving will coordinate with Donor Relations and Operations on recognition materials and Arch C. Klumph Society membership and induction ceremonies as appropriate.

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Email: planned.giving@rotary.org

The Rotary Foundation — Planned Giving Team

1560 Sherman Ave.

Evanston, IL 60201-3698

The Planned Giving Website

Rotary's new and improved Planned Giving website helps you learn more about how planning a gift with The Rotary Foundation can enhance the well-being of your family, friends, and clients, as well as the future of Rotary Foundation grants and programs.

Designed to be easy, interactive, and fun, it offers many exciting new features:

- Use the Gift Illustrator to calculate the possible benefits of a particular plan.
- Enter the Design Your Legacy, Plan By Age, or Compare Gifts areas to find the gift that works best for you.
- Discover a wealth of technical information in the Details for Professional Advisers section.
- Quickly find specific documents in the user-friendly Filing Cabinet.
- Explore the inspiring Donor Stories section to educate prospective donors in your area on why others choose to support Rotary through their charitable estate or financial plans.
- Request an e-brochure on any number of popular topics or browse our What's New This Month section for featured articles.

Access the Planned Giving Website now:

www.rotary.org/plannedgiving

Documents You Can Share

A multitude of resources are available to support your efforts to educate and raise awareness about the benefits of planned giving. The items listed are available at our website www.rotary.org/plannedgiving or upon request.

All Planned Giving Topics

Planned Giving – Creative Opportunities to Contribute guide

Visions, Rotary's quarterly charitable gift and estate planning e-newsletter (also available in print upon request)

Emphasis on Planned Giving, Rotary's monthly adviser's charitable gift and estate planning e-newsletter

The Rotary Foundation Gift Acceptance Policy

Planned Giving PowerPoint (Endowment and Life Income Gifts)

Testamentary Gifts: Contributions That Benefit the Foundation after the Donor's Lifetime

Your Rotary Legacy brochure

Endowment Designation options brochure

Frequently Asked Legacy Questions

Life Income Gift: Contributions That Can Pay the Donor or a Loved One for Life

Customized sample illustration from Planned Gift Officer, upon request

Whose Future brochure, explains charitable gift annuity benefits

Donor Advised Fund: Manage Your Charitable Contributions with Ease through Rotary

The Rotary Foundation DAF Program Circular

The Rotary Foundation DAF Quick Guide

Donor Advised Fund PowerPoint



My Rotary Zone Team — Names to Know

Title/Position	Name	Phone	Email	Other/Notes
Assistant Governor				
Assistant Rotary Foundation Coordinator (ARRFC)				
Endowment Major Gifts Adviser (EMGA)				
Fund Development Subcommittee Chair (District)				
Governor (District)				
Rotary Foundation Chair (District)				
Rotary Foundation Coordinator (RRFC)				
Rotary Foundation Trustee (if any)				
Major Gifts Officer				
Planned Giving Officer				
Rotary International Director				