

## *Charitable Giving Considerations for Owners & Pets*

Presented by:

Tracy M. Potts, Esq.

*Legacy Law Group*

180 Promenade Circle, Suite 120

Sacramento, CA 95834

(916)643-2000

Red Rover Donor Conference Call

October 24, 2019

This seminar material is intended to provide general information only. Information is current only as of the date indicated and should not be regarded as legal advice. Receipt of this information is not intended to create a relationship between the seminar attendee and the presenter. The seminar attendee should not act upon this information without seeking professional legal counsel.

No attorney-client relationship is created by receipt of this material.

## *LEGACY LAW GROUP ATTORNEYS*

### *TRACY M. POTTS*



Tracy M. Potts is the principal of Legacy Law Group. She is a certified specialist in estate planning, trust, and probate by the State Bar of California, Board of Legal Specialization. Tracy is an AV Rated attorney by Martindale-Hubbell®. She is located in Sacramento and practices statewide. She practices in the areas of estate planning; business planning; trust and probate administration; special needs trusts; and limited conservatorships.

Tracy is a fellow with the American College of Trust and Estate Counsel. She is a former chair of the Executive Committee of the State Bar of California, Trusts and Estates Section. Tracy has been listed by Thomson Reuters Northern California Super Lawyer® for sixteen consecutive years since its inception in 2004. She is a former chair of the Sacramento County Bar Association, Probate and Estate Planning Section. She is a member of the Sacramento Estate Planning Council, South Placer Estate Planning Council and California Women Lawyers. She earned her law degree from Southern Methodist University School of Law.

Tracy is active in the community and enjoys spending time on philanthropic endeavors. She serves as a member of the Advisory Council of the Assistance League of Sacramento. Tracy is also active in the legal community. She is a frequent lecturer on topics in estate planning and trust and probate administration.

Tracy spends time on creative activities such as painting, photography and writing.

**CHARITABLE  
CONSIDERATIONS  
FOR OWNERS & PETS**

Presented by:  
Tracy M. Potts, Esq.  
Legacy Law Group  
Sacramento, California

---

---

---

---

---

---

---

---

**CHARITABLE GIVING:  
Why consider a gift to a charity?**

- To support a cause that affects you or that you believe is doing good work
- To support your community
- To thank a charity for their support
- To leave a remembrance
- To do tax planning

---

---

---

---

---

---

---

---

**CHARITABLE GIVING:  
What methods of gifts are used?**

LIFETIME GIFTS

- Direct gift – Easiest and simplest way to support a cause but donor may not have the cash flow during lifetime to make their desired gift.

---

---

---

---

---

---

---

---

**CHARITABLE GIVING:  
What methods of gifts are used?**

**DEATHTIME GIFTS**

- Devise in will or trust – Takes care of cash flow issues and results in a charitable deduction for estate tax planning purposes.

---

---

---

---

---

---

---

---

**CHARITABLE GIVING:  
What methods of gifts are used?**

- Beneficiary designation of life insurance and annuity – Provides an avenue outside of estate plan for specific gift. For annuity, eliminates income tax consequences.

---

---

---

---

---

---

---

---

**CHARITABLE GIVING:  
What methods of gifts are used?**

- Beneficiary designation of IRA and pension accounts – Provides for transfer of otherwise taxable income at death and results in deduction for estate. Must comply with strict rules in order to avoid adverse consequences.

---

---

---

---

---

---

---

---

**CHARITABLE GIVING:**  
**What methods of gifts are used?**

- Charitable Gift Annuity –Provides a remainder gift to the charity plus an income stream to the donor, however the charity has to be qualified to offer this gift to a donor or the charity and you have to enter into a contract with a third party vendor.

---

---

---

---

---

---

---

---

**CHARITABLE GIVING:**  
**What methods of gifts are used?**

- Charitable Remainder Trust – Provides an income stream to the donor but depending on the survival of the client, the potential concern is will the charity receive the proportion of gift the donor desires.

---

---

---

---

---

---

---

---

**CHARITABLE GIVING:**  
**What methods of gifts are used?**

- Donor Advised Funds – Provides for funds into a public charity account (generally maintained by a brokerage firm) where the donor is permitted to recommend charitable donees. Allows the ability to stack donations for deduction purposes.

---

---

---

---

---

---

---

---



**CHARITABLE GIVING:  
Taking Care of Your Pets**

- Rely Upon Trustee to Handle
- Specific Devise of Pets to Owner with or without dollar amount
- Trust to Person in Exchange for Care of Pet
- Pet Trust

---

---

---

---

---

---

---

---

**CHARITABLE GIVING:  
Taking Care of Your Pets**

- Pet Trust – Probate Code section 15212 provides for a trust to be established for the care of a domestic or pet animal or animals. Terminates on death of last animal that existed when Settlor died. A charity can be the remainder beneficiary and asked to confirm welfare of animal.

---

---

---

---

---

---

---

---

**SUMMARY**

- Most important factors in doing any planning is for an individual to settle on or address their wants and desires.
- The process of exploring various options and ultimately making the commitment will take time.
- When charitable intent is identified, the charity and donor can decide together the right avenue and tool.

---

---

---

---

---

---

---

---