

Individual Philanthropy

There are many reasons why individuals and families consider making charitable donations. Whether part of an estate plan or simply the desire to support worthy charities and nonprofit institutions, many people use their financial resources to promote the causes they care about and create a personal legacy that sustains their individual and family values and ideas. Yet, despite a desire to give back to the community and the world, it can be daunting to put an appropriate philanthropic plan in place. With a wide range of gifting options to choose from, the experienced professionals at Wells Fargo Philanthropic Services can help you design and administer a charitable program that helps maximize the efficiency of your charitable gifts, helps preserve your philanthropic goals, and aligns with your overall wealth management strategy.

Formats for giving

Charitable giving typically takes one of three forms: outright gifts, testamentary gifts and structured lifetime giving. While all of these approaches may provide tax savings for you as a donor, as well as much-needed support for worthy causes, there are significant differences between them.

Outright Gifts provide immediate, one-time support to an organization. However, you typically have little control over how the money will be used and the gift may be of little ongoing benefit to your heirs.

Testamentary Gifts (bequeathing money upon death, e.g., as part of a will) allow you to retain control and use of assets during your lifetime and to ultimately provide support for worthy causes. However, you will not witness or control the ultimate impact of the gift.

Structured Lifetime Giving programs (e.g., transferring charitable gifts into a formalized entity like a trust, foundation or donor advised fund) give you considerable flexibility in determining how money will be used. A program of this type can result in both immediate and ongoing benefits for the recipient organization and can be advantageous for you and your heirs. Gifts can also be structured to provide you (or others) with an income stream during your life.

Making the right choice

Wells Fargo Philanthropic Services can help you design a structured lifetime giving program based on your specific charitable and wealth management goals. Our experienced professionals will help you evaluate options and tailor a program that makes the most

sense for you, your family and the causes you care about. The following are common charitable vehicles for establishing a structured lifetime giving program.

- **Charitable Remainder Trust (CRT).** A CRT allows you to earmark assets for charity while you continue to receive an income stream. This is a beneficial approach for those who want disposition of highly appreciated assets which would otherwise potentially trigger a significant tax liability when sold or bequeathed. You receive an immediate tax deduction and an income stream is paid to you or your beneficiaries for the duration of the trust. At the termination of the trust, the charity receives the “remainder” value of your gift.
- **Charitable Lead Trust (CLT).** This trust is a choice if you want to support a cause but are also concerned about matters of estate or gift taxes when passing on wealth to heirs. Assets transferred to a CLT generate an income stream for the designated charity for a specified period of time. When the term ends, the remaining trust-held assets are transferred to designated beneficiaries. The benefit of such an arrangement is potentially significantly reduced transfer taxes.
- **Private Foundation.** Once thought to be suitable only for the wealthy elite, private foundations are gaining broader appeal among families who want to maintain control over the grant-making process and management of donated assets. Private foundations (nonprofit corporations or trusts with tax-exempt status) allow you and your family members—or others whom you designate—to maintain oversight of the amount, timing and recipients of various grants.

Other important aspects of private foundations are that they can result in high visibility and recognition, and can sustain a specific philanthropic vision or philosophy for an extended period of time. In fact, many private foundations are formed to last in perpetuity, thus extending a legacy over many generations.

- **Donor Advised Fund.** Contributing to a donor advised fund is a low cost and flexible alternative to direct giving or creating a private foundation that allows you to implement your giving over time. With this program, you transfer assets to a tax-exempt public charity that sponsors a donor advised fund, maintains a separate account for your gift funds and allows you to advise on its use and distribution of grants from those funds. The charity retains the ultimate decision as to who receives the funds. You receive the maximum tax deduction available to you at the time your gifts are contributed to the donor advised fund, while avoiding excise taxes and other restrictions imposed on private foundations. In addition, you can postpone large grants to a particular charity until your gift funds grow to a size that will allow you to make a more significant gift, thereby increasing the impact of your grant.

Choosing the right plan to support your philanthropic goals

Wells Fargo Philanthropic Services can help you and your family design a charitable giving program uniquely suited to your financial circumstances, family loyalties and social ideals. Our process begins with

a review and assessment of your present and future resources, financial and family goals and charitable values. We then recommend a philanthropic solution for managing your social capital. With the preliminary structure in place, we can help implement and administer your plan, managing designated assets in accordance with plan objectives.

Over time, we provide regular account monitoring, grant administration assistance with the preparation of certain required reports, and continuous planning support.

Helping you support the causes you care about

For more than a century, Wells Fargo has been helping individuals and families achieve their philanthropic and wealth management goals. This tradition continues with our dedicated Philanthropic Services professionals, who will work closely with you and your other Wells Fargo trust, investment and banking professionals—as well as with your personal attorney, accountant and other advisors—to integrate charitable giving strategies into your overall financial approach. We also maintain close ties with the philanthropic community and can help you evaluate options and identify opportunities for using your wealth to achieve the greatest benefits. Please contact us to learn more about how we can help you use your wealth to make a difference in the lives of others and create a charitable legacy.

Investment Products: ► NOT FDIC Insured ► NO Bank Guarantee ► MAY Lose Value

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