

Realized Gifts:

What to Do When Your Donor Dies

ART STINE
GIFT PLANNING OFFICER
AMERICAN RED CROSS



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- <https://goo.gl/NbpDYs>



Really? A Few Tales From the Trenches

- Forever Trust
- Insurance beneficiary – SURPRISE



Poll

- How many Attorneys? Financial Planners?
- Who has been involved in estate administration with an organization a probate or trust administration?
- When is the Planned Gift completed?



What do we mean by...

- Wills
- Revocable Trusts
- Beneficiary Designations
- Why do we need to do this? Beneficiary Rights!
 - California Probate Code sections 16060-16064
 - <https://goo.gl/NbpDYs>



What to do first with estate notification?

- Do you have the correct name of the donor?
- What is your interest in the estate?
- Do you have a copy of the full document or the portion naming your organization?
- What other nonprofits are listed as beneficiaries?



Considerations of a Gift by Will

- Petition for probate
- Give notice to all creditors
- All debts are paid, final tax returns filed and taxes paid
- An accounting in a probate can be waived
- Because this is court supervised, the court wants to be sure everything is in order.



Considerations of a Gift by Revocable Trust?

- Successor Trustee begins settling estate, not by the probate court, but by the terms of the trust instrument itself.
- Identify all of the decedent's assets, pay final expenses and valid debts and final tax returns and then distribute the assets.



Accounting

- To Receive or Not Receive?
- To Waive or Not to waive?
- What to look for
- Fees (Following Slide)
- <https://goo.gl/NbpDYs>

Fees

Value of Estate	Personal Rep/Attorney Fees Allowed	Value of Estate	Personal Rep/Attorney Fees Allowed
\$ 100,000	\$ 4,000	\$ 2,000,000	\$ 33,000
\$ 200,000	\$ 7,000	\$ 3,000,000	\$ 43,000
\$ 300,000	\$ 9,000	\$ 4,000,000	\$ 53,000
\$ 400,000	\$11,000	\$ 5,000,000	\$ 63,000
\$ 500,000	\$13,000	\$ 6,000,000	\$ 73,000
\$ 600,000	\$15,000	\$ 7,000,000	\$ 83,000
\$ 700,000	\$17,000	\$ 8,000,000	\$ 93,000
\$ 800,000	\$19,000	\$ 9,000,000	\$103,000
\$ 900,000	\$21,000	\$10,000,000	\$113,000
\$1,000,000	\$23,000	\$15,000,000	\$138,000
\$1,500,000	\$28,000	\$20,000,000	\$163,000



Timeline

- Key time frames
- How to ask
- The Tool
 - <https://goo.gl/NbpDYs>



Other Issues to Consider

- Memorial Gifts
- Shared Beneficiaries
- Challenging Assets
- Should you take the asset or have the estate liquidate everything?
- IRAs



Some Sticky Issues

- Unhappy/hostile heirs
- Real Estate
 - Retained Life Estates
 - To accept or not accept?
- Problematic restrictions
- Competency issues



When/Why You Should Engage an Attorney

- No response from estate representative or attorney for estate
- Notification of legal challenge
- If a dispute arises
- Hard to value assets



Stewardship

- Family
- Attorney, Fiduciary, other non-family connections
 - Advisor Legacy Society with value
- <https://goo.gl/NbpDYs>



Some Final Thoughts

- Permission to complete your donor's gift
- Protect your organization
- ASK QUESTIONS
- It's all about relationship (family & advisors)
- If comes to it, don't be afraid to fight for your share



Thank You!

- <https://goo.gl/NbpDYs>



Additional Bibliography

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- David W. Tate, Esq. (San Francisco, California),
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