

Charitable Giving: Tax-Smart Ways to be Generous



Americans are charitable by their very nature. As a country, Americans donated \$373.25 billion in 2015, a 4.1% increase from 2014, according to Giving USA Foundation. Individual households donate an average of nearly \$3,000 each year.¹

You likely get tremendous satisfaction from making cash donations to causes you want to support. The fact that the IRS allows taxpayers to deduct some or all their cash and non-cash donations doesn't hurt either. It's worth a chat with us to make sure that while you are doing good, you are also taking advantage of all the tax benefits the government is willing to give you.

Believe it or not, there are several strategies to consider when trying to maximize the tax benefits of your cash donations.

Meet QCDs

One new approach, made permanent in 2015, can benefit retirement savers who have reached age 70½ and are required to start taking yearly minimum distributions from their retirement account. Tax-free Qualified Charitable Distributions (QCDs) allow you to give up to \$100,000 per year (\$200,000 for married couples with individual IRAs) to qualified public charities by taking distributions from your IRA. (To ensure that donations to your preferred charity are tax-deductible, go to <http://go.efficientadvisors.com/e/91522/app-eos-/4359sn/219004565>) To qualify, you must be at least 70½ at the time you make the distribution, and you must have the withdrawal check be made out to the charity and not to you. You can tap either traditional or Roth IRAs for this strategy, but it is the use of traditional, pre-tax IRA

contributions that makes QCDs a tax-benefit multiplier. Not only do you avoid the necessity of including your IRA distribution with your gross income for the year, but you can also take advantage of the tax deduction for charitable giving.

Donate appreciated shares of stock or mutual funds

The market we've been riding has likely produced gains in your portfolio. In 2017, you may want to consider doing some portfolio rebalancing that—in the case of charitable giving—can provide some nice tax benefits. Donating appreciated shares of stocks or funds directly to a qualifying charitable organization offers two tax benefits: You should not be subject to capital gains tax on the appreciation of your shares. In addition, you may be able to claim the full value of the donation as a tax deduction.

Charitable Remainder Trusts (CRTs)

These are more complex vehicles, most useful to those who know they have assets—either property, securities or cash—that they plan to donate to charity. CRTs can be set up in one of two ways: As a Charitable Remainder Annuity Trust or as a Charitable Remainder Unitrust. Both are irrevocable once established, and both offer some tax advantages.

Both types of charitable remainder trust are a "split interest" giving vehicle that allows you to make contributions to the trust and be eligible for a partial tax deduction, based on the CRT's assets that will eventually pass to charitable beneficiaries. You can name yourself or someone else to receive a potential income stream for a term of years, no more than 20, or for the life of one or more non-charitable beneficiaries, and then name one or more charities to receive the remainder of the donated assets.²

The unitrust distributes a fixed percentage of the trust assets to the beneficiary each year (revalued annually), and the donor can make additional contributions. The annuity distributes a fixed annuity amount each year, and additional contributions are not allowed.²

Donor-advised Funds

Donor-advised funds are the fastest growing charitable giving vehicle in the U.S.—as of 2015, Americans held more than 269,000 donor-advised accounts with over \$78 billion in assets.³ The funds' popularity stems from their flexibility and convenience, as well as the tax advantages they offer.

When you donate to your donor-advised fund, you're making a tax-deductible donation to an organization, such as a community foundation or even a charitable fund at an investment firm, which holds the account. We can help you select a donor-advised fund and even manage the assets on your behalf. You don't have to have a specific

charitable cause in mind when you make the donation, but you can still take the deduction. Then, your donation is invested, based on your preferences, so it has the potential to grow, tax-free, while you're deciding which charities to support.⁴ When you decide where to steer the money, you advise the fund and the donation is made.

Talk with us about these and other giving strategies.

Have a great weekend!

Source: Efficient Advisors

Golf Tip of the Week



Break the Wobble and Putt Straight

A wobbly putt can be wildly annoying. Despite lining up the shot and hitting confidently, the ball still goes off course. If the wobbles plague your short game, you may not be squaring your putter face. Its position will dictate your putt's direction, regardless of how well you envision the line.

To overcome this challenge, try the following:

1. Use a striped range ball and locate a straight 8-foot putt.
2. Build a "gate" using two tees. Set the tees slightly wider than the ball and toward the hole by 18 inches.
3. Line the ball so that the stripe is vertical and faces the cup.
4. Take your shot, and watch to ensure the ball travels clearly through the gate in a straight line without wobbling.

After a few putts, you should begin to see how squaring the putter face will help keep you steady.

Tip adapted from Todd Anderson | Golf Digest!

Recipe of the Week



Moroccan-Spiced Chicken and Couscous

Serves 6

Ingredients:

3½ pounds of chicken thighs and drumsticks, or 12 pieces
Cooking spray
1 teaspoon cumin
½ teaspoon cardamom
½ teaspoon cinnamon
1 teaspoon salt
½ teaspoon pepper
3½ cups couscous, cooked
½ cup roasted peppers, chopped
½ cup sliced almonds
⅓ cup golden raisins
2 green onions, finely chopped

Directions:

1. Preheat oven to 475°F.
2. Coat a large-rimmed baking sheet with cooking spray.
3. Arrange chicken on the baking sheet.

4. Mix together cumin, cardamom, cinnamon, salt, and pepper, and sprinkle over the chicken.
5. Place chicken in oven and roast for 35 minutes or until cooked thoroughly (165°F).
6. Toss together cooked couscous, roasted peppers, almonds, raisins, and green onions.
7. Serve chicken on top of seasoned couscous.

Recipe adapted from Good Housekeepingⁱⁱ

Health Tip of the Week



Keep Your Mouth and Gums Healthy

Our mouth, gums, and teeth can stay healthy throughout our lives—as long as you take care of them. With proper hygiene, you can avoid developing ailments like gum disease and tooth decay. Here are some oral care tips to keep in mind:

- **Brushing:** Remove plaque and bacteria that can lead to cavities by brushing twice a day, 30 minutes to 1 hour after eating. Brush for 2 to 3 minutes before rinsing.
- **Flossing:** Dentists recommend flossing at least once each day to remove food that can stick between your teeth and turn to tartar. Be sure you floss around the tooth and within the gum lines with up-and-down movements.
- **Rinsing:** A daily rinse of antibacterial mouthwash can further help you kill bacteria. Either before or after you brush, swish mouthwash for 30 to 60 seconds.

Tips adapted from WebMDⁱⁱⁱ

The articles and opinions expressed in this newsletter were gathered from a variety of sources, but are reviewed by Ballentine Capital Advisors prior to its dissemination. All sources are believed to be reliable but do not constitute specific investment advice. In all cases, please contact your investment professional before making any investment choices.

Securities through Triad Advisors, Member FINRA/SIPC. Advisory services through Ballentine Capital Advisors, Inc.

Copyright (C) 2017. Ballentine Capital Advisors. All rights reserved.

Our mailing address is:

Ballentine Capital Advisors
23 Buena Vista Way, Suite B
Greenville, SC 29615

[unsubscribe from this list](#) [update subscription preferences](#)

Disclosure:

The views expressed herein are exclusively those of Efficient Advisors, LLC ("EA"), and are not meant as investment advice and are subject to change. All information presented is for illustrative and analytical purposes only. EA portfolios may contain specific securities that have been mentioned herein. EA makes no claim as to the suitability of these securities. Past performance is not a guarantee of future performance. Information contained herein is derived from sources we believe to be reliable, however, we do not represent that this information is complete or accurate and it should not be relied upon as such. All opinions expressed herein are subject to change without notice. This information is prepared for general information only. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. You should seek financial advice regarding the appropriateness of investing in any security or investment strategy discussed or recommended in this report and should understand that statements regarding future prospects may not be realized. You should note that security values may fluctuate and that each security's price or value may rise or fall. Accordingly, investors may receive back less than originally invested. Investing in any security involves certain systematic risks including, but not limited to, market risk, interest-rate risk, inflation risk, and event risk. These risks are in addition to any unsystematic risks associated with particular investment styles or strategies.

ⁱ <https://www.golfdigest.com/story/start-every-putt-on-a-great-line>

ⁱⁱ <http://www.goodhousekeeping.com/food-recipes/easy/a35781/moroccan-spiced-chicken-and-couscous/>

ⁱⁱⁱ <https://www.webmd.com/oral-health/guide/teeth-gum-care#1>