



# Fundraising Update and Smart Giving Strategies Class of 1974

Inez D'Arcangelo, '74

## Giving Goals

- 1) 50% Participation
- 2) \$7.4 Million raise  
since our 45th  
Reunion





Achieved to  
Date

- 1) 36% or 182 classmates
- 2) \$5.9 Million raise since our 45th Reunion



## Action Plan

- 1) Class Officers Challenge
- 2) Giving Smartly and Stretch gifts

Class  
Officers  
Challenge

**What:**

\$74K pledged, when 50%  
class participation

**How:**

75 additional classmates  
need to donate. All  
donations, no matter the  
size, count!





## Giving Smartly and Stretch gifts

### **What:**

Use strategies to maximize your gifting

### **How:**

- Cash now
- Pledge now, pay later within the next five years (June 2029)

*Note: This following information not intended for financial or tax advice, but rather to stimulate discussion between you, your financial advisors and Smith.*

Cash Now

**What:**

Give a lump sum donation to Smith

**How:**

- Cash
- Credit Card





## Cash Now

### **What:**

Give a lump sum donation to Smith

### **How:**

- Cash
- Credit Card

Traditional, but not as efficient as other ways of donating!



Pledge  
Now, Pay  
Later

## **What:**

Pay over the next five years, but get the credit now

## **How:**

- Charitable Gift Annuity
- Use of Required Minimum Distribution
- Gifts of long term appreciated securities and other financial assets
- Your Will or IRA (not paid out over next five years!)



# Charitable Gift Annuity

## What:

Contract between you and Smith funded using cash or securities providing you with a stream of income for the rest of your life.



### *Example:*

- The rate of income for a 72-year-old is now 6.6%.
- For a gift of \$25,000 in cash, that donor would receive income of \$1,650 per year.
- The donor would receive a charitable deduction of \$9,649 in year of gift.
- Annual lifetime income of \$1,650 would be 64% tax-free, 36% ordinary income. After 14.5 years, the income would convert to all ordinary income.

*Note that the deduction and the tax-free portion are somewhat variable by month, depending on prevailing interest rates.*



### **What:**

At age 73, everyone is required to take an annual distribution from their traditional retirement plans. THIS IS TAXABLE AT ORDINARY TAX RATES.

Instead, use the Qualified Charitable Distribution Rule to make your charitable contribution to minimize tax impact.

## Required Minimum Distribution

### *Example:*

- The RMD is calculated based on the 12/31 value of your IRA (s) at age 72 divided by a factor that the IRS publishes.
- An IRA with a 12/31/24 balance of \$500k would result in an RMD of \$19k.
- Donate any portion of the RMD directly to Smith to exclude this from your income.

This reduces your taxable income, AND most likely your tax rates by giving directly.



## Appreciated securities and other financial assets

### What:

Donate long-term appreciated securities to Smith. These might be equity, bonds, mutual funds, etc.

#### *Example:*

Donating appreciated securities to Smith directly would give \$50,000 to Smith and you would get a \$50,000 charitable deduction. This would save you approx. \$10,000 in taxes.

• Original cost of the securities:	10,000
• Fair Market Value	50,000
• Unrealized Gain	40,000
• Taxes Saved (23.8% * \$40,000)	9,520
• Charitable Donation	\$50,000*

\*Donation would be only \$40,480 if you sold the securities, paid the tax and donated the net after-tax proceeds.

*Note: This example assumes only federal taxes*

Will or  
Traditional  
IRA

**What:**

Name Smith as beneficiary in your Will or IRA. This doesn't need to be cash or financial securities.

*Note: Smith gives the Class a 50% credit on documented bequests.*



## Next Steps

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1. Use [www.smith.plannedgiving.org](http://www.smith.plannedgiving.org) as a resource
2. Discuss with your financial planner or accountant.
3. Contact Smith with your intention.
  - Sam Samuels: 413-585-2694 or [ssamuels@smith.edu](mailto:ssamuels@smith.edu)
  - Jodi Fallon Fern: 413.585.4407 (office) or 413.437.4556 cell or [jfallonfern@smith.edu](mailto:jfallonfern@smith.edu)
4. Feel free to contact me!
  - Inez D'Arcangelo: [inez@navgroup.com](mailto:inez@navgroup.com)

