

Estate Planning Fundamentals Guide for Association Professionals



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Created by ASAE Research Foundation's 2025 Estate Planning Advisory Council

Contents

Understanding the Importance of Estate Planning	2	How to Get Started: A Beginner Friendly Checklist for Estate Planning	7
Why Estate Planning Matters.....	2	Estate Planning Readiness Checklist	7
Connecting Personal Legacy and Charitable Impact	2	Defining Goals and values for giving:	8
How Estate Planning Supports Family, Finances, and Philanthropy	2	Choosing Appropriate Vehicles.....	8
Common Myths and Misconceptions.....	2	Integrating philanthropy with estate and tax planning.....	10
Components of an Estate Plan.....	3	Frequently Asked Questions	11
		Expert Contributors & Volunteer Advisors	13
		Key Terms & Vocabulary.....	14

Understanding the Importance of Estate Planning

Why Estate Planning Matters

Estate planning is not just for the wealthy—it's for anyone who wants a say in how their assets, care, and legacy are managed. A thoughtful plan protects loved ones, clarifies intentions, and minimizes confusion during what can be tumultuous times of transition.

Without a plan, state laws determine who receives your property, how taxes are applied, and who makes key decisions on your behalf—often with results that may not reflect your wishes. A clear estate plan ensures that your voice is preserved and your values are reflected in the way your affairs are handled. It allows you to support the people and causes that matter most, both during your lifetime and beyond.



Connecting Personal Legacy and Charitable Impact

Many people hope their legacy will extend beyond family and financial security to include lasting community impact. Estate planning makes that possible. By naming a charitable organization or establishing an endowed fund, you can help sustain the missions and values that align with your own.

Planned giving is more than a financial decision—it's an opportunity to express gratitude, demonstrate leadership, and create meaningful change long after you're gone.

How Estate Planning Supports Family, Finances, and Philanthropy

An effective estate plan can:

- Protect and transfer wealth efficiently to family members.
- Reduce the administrative and emotional burden on loved ones.
- Provide tax-efficient pathways for charitable giving.
- Ensure retirement and insurance benefits align with your goals.
- Establish durable powers of attorney and healthcare directives to safeguard decision-making in case of incapacity.

Together, these elements help preserve both peace of mind and purpose.

Common Myths and Misconceptions

- **“Estate planning is only for the wealthy.”** Everyone has an estate—bank accounts, insurance, retirement plans, and personal belongings. Planning ensures you stay in control, regardless of size.
- **“I’m too young to need an estate plan.”** Life can change unexpectedly. Having even a simple plan in place early protects loved ones and makes future updates easier.

- **“My family knows my wishes.”** Without legal documentation, those wishes may not be enforceable.
- **“It’s too complicated or expensive.”** Many people start with a basic will and beneficiary review, then expand their plan over time with professional guidance.

Story Example: A Missed Opportunity

A community leader delayed creating an estate plan, assuming her life insurance would “cover everything.” When she passed unexpectedly, outdated beneficiary designations sent the proceeds to an ex-spouse. The nonprofit she cared deeply about—and had supported for years—was not part of her legacy.

A simple review could have redirected those funds toward a scholarship in her name, preserving her values and continuing her impact for generations to come.

Components of an Estate Plan

A well-structured estate plan is not a single document, but is a coordinated set of legal instruments and decisions that work together to protect your assets, guide your care, and carry out your wishes during and after life. A well-drafted estate plan helps avoid confusion, ensures your property passes according to your wishes, and can minimize family disputes. The following is an overview of the essential documents of a complete estate plan and the roles each serves in shaping your financial and personal legacy.



1. **Last Will and Testament.** Your will directs how assets held in your individual name and without a beneficiary designation will be distributed after your death, names guardians for minor children, and appoints an executor to manage the administration of your individual estate. State law dictates the proper execution of a Will, but in general, a Will should be in writing, signed by you and witnessed by at least two uninterested witnesses, being individuals not named in any of your estate planning documents and not directly related to you.

Your will can direct the distribution of all of your property at death to individuals or charities. In most instances, when using only a will, the probate court will have to oversee the collection and distribution of your estate. Alternatively, you can use a will in conjunction with a revocable trust. Your will can direct the distribution of any asset in your individual name to your trust (this is referred to as a “pour-over will”). A pour-over will is a catch-all for assets that were not transferred to your trust during your lifetime.

2. **Trusts.** Trusts offer flexibility and control that go beyond what a will alone can provide. They can help manage assets during your lifetime, assist in avoiding probate, and provide estate tax planning and avoidance. Common types of trusts include revocable living trusts, which you can change during your lifetime, and irrevocable trusts, which generally cannot be altered but may provide tax or asset protection advantages. Trusts can also serve specific goals such as caring for a loved one with special needs, managing charitable gifts, or ensuring privacy in the transfer of wealth.

Assets transferred to a trust are thereafter owned by the trust and administered by the trustee. During your life, you can create a revocable trust of which you are the current trust beneficiary and trustee, so that you maintain control of the assets during your life.

However, since the trust assets are no longer owned by an individual, the distribution of assets at your death does not require oversight by a probate court. Therefore, trusts are a good planning tool for most individuals, regardless of one's wealth.



3. **Financial Power of Attorney.** A financial power of attorney gives another individual (the agent) the authority to act on your behalf in the management of your financial affairs, such as paying bills or dealing with your bank, if you can't. This could be for something as simple as you are traveling abroad or more serious where you're physically or mentally unable to handle your financial matters.

The person you name to act as your agent should be someone you trust and who will always have your best interests in mind. Most often, that is a close relative, such as a spouse, child, or sibling, but it could also be a close friend or even a professional fiduciary.

Ultimately, having a power of attorney in place means that if the unexpected happens, you won't leave your family scrambling to figure things out. Instead, a trusted person you've chosen can step in to make sure your financial matters are taken care of without delay. If you have a revocable trust, the trustee and your financial agent will work together. Your trustee will manage the assets in your trust, and your financial agent will manage the assets held in your individual name, such as retirement accounts and social security income.

4. **Healthcare Directive / Living Will.** A Health Care Directive, also called a Health Care Power of Attorney, allows you to express your wishes regarding medical care if you cannot communicate them yourself and to name a health care agent who can talk with doctors and make medical decisions for you if you're ever in a situation where you can't make them yourself. You should choose an agent who will make medical decisions consistent with your values and preferences.

A living will is more limited in scope than a health care directive, as it only applies in circumstances of a terminal condition. A living will directs medical professionals when to stop death delaying procedures in such cases. It can work in tandem with a health care directive. Together these documents provide peace of mind for you and clarity for loved ones during stressful medical situations.

Your property and health care agents can be the same person or different people. Perhaps your youngest child is good at managing money, and your oldest child is calm in a crisis and well-suited for making healthcare decisions. However, it is best to only name one agent to act at a time, but you may name successor agents.

5. **Beneficiary Designations.** Certain assets, such as life insurance policies, retirement accounts, and payable-on-death accounts, may pass directly to the individuals named as beneficiaries. Keeping these designations up to date is essential to ensure they align with your overall estate plan. Mismatched or outdated beneficiary information can unintentionally override the instructions in your will or trust. It can be beneficial to name your trust as the primary or secondary beneficiary to simplify the distribution of your overall assets, allowing your trustee to collect all your asset at your death and distribute them as you designate in your trust. However, you must be careful if you name your trust as the beneficiary of any retirement account, as your trust will require special language and should be drafted by an experienced estate planning attorney. It can also be beneficial to name charities as the beneficiary of retirement accounts, as charitable organizations do not have to pay income tax on withdrawals from retirement accounts, where individual beneficiaries do.



6. **Benefits of a Charitable Gift Strategy.** For those with charitable goals, thoughtful planning can make giving both personally meaningful and financially efficient. The Internal Revenue Code allows deductions for gifts made to qualified charitable organizations, creating opportunities to support the causes you value while also reducing your tax burden.

During your lifetime, charitable contributions may be deductible against your income tax. Depending on the type of asset donated and the nature of the recipient organization, you can deduct different percentages of your adjusted gross income (“AGI”). Cash gifts to public charities are generally deductible up to 60% of AGI, while donations of appreciated assets, such as stocks, real estate, or other investments, are typically limited to 30% of AGI. However, gifts of appreciated assets can also help you avoid capital gains tax, providing the dual benefit of reducing your income tax while supporting charitable causes. Gifts to private foundations are subject to lower percentage limits.

Beginning in 2026, charitable gifts will be deductible only to the extent they exceed 0.5% of AGI, and additional limitations will apply to taxpayers in the highest income brackets. These changes make it increasingly important to plan charitable gifts strategically and in coordination with your overall tax and estate planning objectives.

Charitable giving can also provide tax advantages at death. Bequests or transfers to qualified charities through your will or trust generally qualify for an estate tax deduction, reducing the taxable value of your estate. This can be particularly valuable for larger estates subject to federal or state estate taxes. Additionally, naming a qualified charity as the beneficiary of a retirement account, such as an IRA, can eliminate income tax on those assets entirely, allowing the charity to receive 100% of the account's value. In contrast, if the same account were left to an individual, distributions would be reduced by the recipient's income tax rate.

7. **Philanthropic Planning.** Beyond one-time charitable donations, philanthropic planning creates a cohesive strategy that aligns your giving with your broader financial and legacy goals. Rather than reacting to causes as they arise, a well-developed philanthropic plan coordinates charitable giving during life and at death, helping ensure your generosity is both impactful and sustainable.

A coordinated approach allows you to think about your philanthropy as part of your long-term legacy, focusing on how you want your values, priorities, and resources to influence the world and future generations. By identifying the causes that matter most to you and determining how best to support them, you can make a more measurable and lasting difference.



There are many vehicles that can support an intentional philanthropic strategy. Establishing an annual giving plan allows you to budget charitable gifts in coordination with your cash flow, tax planning, and family financial goals. For those seeking greater structure and flexibility, a donor-advised fund can provide an immediate income tax deduction for contributions while allowing you to recommend grants to charities over time. A private foundation offers more control and visibility for families who wish to manage their larger charitable efforts directly, often over multiple generations. Charitable remainder trust and charitable lead trusts can integrate tax-efficient giving with personal income or estate planning objectives, ensuring that both charitable organizations and your loved ones benefit according to your design. Charitable gifts through a will or trust can give a lasting gift to charities and provide estate tax savings. An overall philanthropic plan can coordinate several of these strategies.

Philanthropic planning provides an opportunity to articulate and share your values with your family, involve younger generations in charitable decisions, and create a sense of continuity around giving that extends beyond your lifetime, creating a lasting legacy. We will be diving deeper into these opportunities in the *Philanthropic Planning* section coming up in our guide.

How to Get Started: A Beginner Friendly Checklist for Estate Planning

This checklist provides a practical framework for getting started. It can be adapted as a worksheet or printable one-pager.



Estate Planning Readiness Checklist

Step 1: Define Your Vision

- Identify your retirement, family, and charitable priorities.
- Clarify what “legacy” means to you—personally and financially.

Step 2: Take Inventory

- List all assets: real estate, retirement accounts, savings, insurance policies, and business interests.
- Gather key documents such as property titles, deeds, and account statements.

Step 3: Choose Trusted Partners

- Assemble your professional team—estate attorney, financial planner, and/or tax advisor
- Appoint powers of attorney for financial and healthcare decisions.
- Identify an executor or trustee who understands your intentions.

Engaging professionals early helps ensure that your plan is legally sound, tax-efficient, and aligned with your goals before you make key decisions or update documents.

Step 4: Review Beneficiaries and Legal Documents

- Confirm that beneficiary designations reflect your current wishes.
- Review or create a will and healthcare directive.
- Consider whether a trust structure fits your goals.

Step 5: Integrate Philanthropy

- Consider charitable bequests, endowments, or legacy gifts to organizations you value.
- If applicable, explore giving vehicles such as donor-advised funds or charitable remainder trusts.

Step 6: Formalize and Review

- Schedule a consultation with your estate planning attorney or financial professional to finalize and execute your plan.
- Review your plan every 3–5 years, or after major life events (marriage, children, career changes, inheritance).

Philanthropic Planning

Often, a key element of estate planning involves philanthropy. What that looks like varies greatly depending on your personal goals and the size of your estate. Following is an overview of this complex topic.

Let's begin by considering, **What Is Philanthropic Planning?** Philanthropic planning is a strategic, long-term approach to charitable giving that aligns your values, financial resources, and legacy goals. It goes beyond ad hoc donations to create a structured plan that maximizes impact and tax efficiency. Key steps include:

- Defining goals and values for giving.
- Choosing appropriate vehicles (e.g., donor-advised funds, private foundations, charitable trusts).
- Integrating philanthropy with estate and tax planning for wealth preservation and legacy building.

Defining Goals and values for giving:

The first step is to define the “Why?”

- What do you want to change in the world? Consider the specific issues or problems that you would most like to see solved.
- What are your core values and beliefs? These will be guided by your personal and family history and experiences and will weigh significantly on the goals you are developing.
- What causes are the most important to you? These may be issues that have personally impacted you or a member of your family, or issues that you are motivated to support based on your personal experience.
- What communities do you want to support? Some people want to support their local community where they can see the impact they are having, others are looking to change the world by supporting specific cause regardless of location?

Now that we know Why, we have to begin the process of setting the specific Goal so that you can measure your progress. This should be Specific (I want to donate a certain amount each year, I want to leave a percentage of my estate, etc.) it should also be Measurable so that you can track your progress toward achieving it, and finally it should have a timeline such as annual or semi-annual deadlines to keep on track.

Choosing Appropriate Vehicles

Next is the How, this involves building the plan to achieve your goals and a key element is choosing which vehicles to use. There are 3 categories (1) current cash / property gifting to charities, (2) using a vehicle such as a Private Foundation or Donor Advised Fund that will let you accelerate or “bunch” your charitable giving to recognize certain tax benefits funding (3) using charitable trusts.



1. **Current giving** this is the easiest method and is generally the entry point into charitable giving. Many charitable organizations thrive through the small cash gifts received and you can make powerful impacts on organizations through these donations. That said, as wealth grows and goals and plans are developed around your charitable giving is often not sufficient to accomplish your goals.
2. **Private Foundations vs. Donor-Advised Funds (DAFs)**

Some background, these two vehicles are often considered interchangeable and it is not uncommon that the first questions people ask as they get into philanthropy is should I start a Foundation? Private Foundations emerged in their contemporary form in the late 19th century, and have been recognized in the Internal Revenue Code since 1969. Donor Advised Funds have been around since 1931 when the New York Community Trust first established them, but DAFs were not formally recognized until the Pension Protection Act of 2006. So, while they both have long histories, the DAF is relatively new on the scene from a tax strategy perspective. As an overview, following are some of the differences between the two vehicles:

Feature	Private Foundation	Donor-Advised Fund (DAF)
Structure	Independent legal entity with its own board and bylaws.	Account within a public charity sponsored by an organization (e.g., Schwab Charitable).
Control	Full control over investments and grant-making; can last in perpetuity.	Advisory privileges only; sponsoring organization has final say.
Tax Deduction Limits	30% of AGI for cash; 20% for appreciated assets.	60% of AGI for cash; 30% for appreciated assets.
Administrative Burden	High: annual filings, excise tax (1.39%), minimum 5% payout annually.	Low: no payout requirement, simplified recordkeeping.
Privacy	Public disclosure via Form 990-PF.	Grants can be anonymous.
Cost	Significant setup and ongoing costs.	Minimal setup cost; lower fees.

In summary,

- Private Foundations are ideal for donors seeking maximum control, multi-generational involvement, and possibly the ability to employ family members. There is no “minimum” dollar amount for when to use a Private Foundation, but the complexity lends itself to those planning to fund significant amounts. Private Foundations are separate legal entities and as such continue as long as they have money and must be run with the formality of such.
- DAFs suit donors who want simplicity, higher deduction limits, and flexibility without administrative complexity. A donor can set up a DAF with their investment advisor and use it to “bunch” funding for tax benefits, give the money out over time and even name it as the beneficiary of their estate. Upon passing, the DAF will either be distributed based on a list of charities you provide to the advisor, or you can name a successor to oversee the distribution of the funds.

3. Charitable Trusts in Estate Planning

Charitable trusts are irrevocable trusts that combine philanthropy with tax and estate planning benefits. These trusts allow donors to transfer assets for the benefit of one or more qualified charitable organizations while providing financial benefits to the donor or their heirs. Due to these trust generating a benefit to both charities and non-charities they are often referred to as “Split-Interest Trusts”

There are two primary types:

Charitable Remainder Trust (CRT)

- **Structure:** Donor or beneficiaries receive income for life or a term; remainder goes to charity.
- **Benefits:** Immediate income tax deduction, capital gains deferral, estate tax reduction.
- **Ideal For:** Retirees or individuals with highly appreciated assets seeking income.

Charitable Lead Trust (CLT)

- **Structure:** Charity receives income first for a set term; remainder passes to heirs.
- **Benefits:** Reduces estate and gift tax liability; effective in low-interest environments.
- **Ideal For:** High-net-worth families focused on multi-generational wealth transfer.

Subtype: within each type (CRT/CLT) there are 2 subtypes the Annuity and Unitrust. The Annuity subtype pays a fixed annual amount, while the Unitrust pays a fixed percentage of the assets. Which of these is chosen depends on the needs and objectives of the Grantor. All the charitable trust subtypes are:

- CRAT (Charitable Remainder Annuity Trust): Pays a fixed annual amount.
- CRUT (Charitable Remainder Unitrust): Pays a fixed percentage of trust assets annually.
- CLAT (Charitable Lead Annuity Trust): Fixed annual payment to charity.
- CLUT (Charitable Lead Unitrust): Fixed percentage of trust assets to charity.

As irrevocable trusts, there are tax filing obligations that go along with the trusts, and fiduciary responsibilities for the trustees. They are complex and require diligent planning to assure that they do not result in any unintended consequences.

Integrating philanthropy with estate and tax planning

The final step is to make sure that you are integrating the planning. Donors can combine foundations, DAFs, and trusts for flexibility. While using charitable planning to offset high-income years, manage liquidity events, educate the next generation on philanthropy, and meet their personal goals. It is key that you establish a team (attorney, financial advisor, CPA) that can help you with drafting, administering, and fiduciary and reporting obligations.

Frequently Asked Questions

“Do I need to be wealthy to have an estate plan?”

No, the complexity of the plan will vary based on your wealth, but everyone should have a plan. A basic plan will include:

- Last Will and Testament
- Durable Power of Attorney
- Health Care Directive (or Health Care Power of Attorney)
- HIPAA Authorization
- Funeral Representation Designation



“What is the difference between a will and a trust?”

- Last Will and Testament: This document dictates how you would like your assets and property distributed after your death. It also names an executor to carry out your wishes and can appoint a guardian for minor children. To act under the Last Will and Testament, the executor will need to open a Probate Estate with the court. The executor must file asset listings, and the court provides oversight the executors actions. This is a public process.
- Trusts can be either revocable or irrevocable.
 - Revocable Living trust does not take effect until after the grantor’s death, it names a trustee, beneficiaries and spells out terms for the disposition of assets titled to the trust. The trustee can act without any court oversight and as such, this is a much more private process than having assets pass via a Will which is subject to probate.
 - Irrevocable Trust takes effect upon funding (i.e., titling assets to the trust) names a trustee, beneficiaries and spells out terms for the disposition of assets titled to the trust. These can be created and funded during the grantor’s lifetime.

“How do I include a charitable organization in my estate plan?” There are several options:

- Charities can be named as a specific beneficiary of your will
- Charities can be named as a current or future beneficiary of your trust
- Charities can be named as the beneficiary of an IRA/Life Insurance policy/or other account

“What happens if I don’t have an estate plan?”

- If you die with no estate plan you are said to have died Intestate. The court will appoint an executor, and your assets will pass to your heirs based on your state’s laws of intestate succession. This typically prioritizes your closest relatives in specific order. Highest priority is your surviving spouse, then children, then parents, and siblings.

“How often should I update my plan?”

- Your plan should be reviewed with your attorney to determine if updates are needed whenever there is a significant life event, marriage, birth or adoption of a child, death of a family member; change in state of residency etc.
- Barring significant life events, your plan should also be reviewed/updated if there is a significant law change, or at a minimum every 5 to 7 years.

“What are the tax benefits of leaving a legacy gift?”

- When you pass away your money will go to one of three places: your heirs, charity or the government via taxes. If you have a taxable estate, you can leave everything in excess of the amount that passes under the lifetime exemption or marital deduction to a charity to “disinherit the IRS”. So, from an estate tax perspective, it is a way to direct assets to charity and reduce the tax on your estate.
- If you are going to have a taxable estate, you can make gifts now that will generate an income tax deduction and provide a charitable benefit either now or in the future. This can be done via various trusts such as a Charitable Remainder Annuity Trust (CRAT); Charitable Lead Annuity Trust (CLAT); Charitable Remainder Unitrust (CRUT) or a Charitable Lead Unitrust (CLUT), just to name a few.

“Who should I consult when getting started?”

It is best to put a team together. Your team should include:

- A financial planner to help you forecast what your estate is and what it will potentially grow to given your income and earning projections.
- An attorney who will draft documents and help you decide on strategies
- A CPA who will help you planning, projecting potential tax liabilities; and filing requirements.

“Does it make sense to put my home in a trust?”

- Putting your home in a trust may make sense it can also complicate things like getting a mortgage. It is best to discuss with your attorney and consider real estate tax implications and complexity around mortgages and transactions.
- If your home is not in a trust and you are single, your attorney can recommend other ways to help avoid probate in the event you pass away while owning the home.

“Can’t I just write my will myself?”

- Yes, but it is best to consult with professionals.

“Do I really need to retitle my accounts, seems like a lot of work?”

- If you don’t retitle your accounts, the only part of the estate plan that will function is your Last Will and Testament, the process will be subject to court oversight, and a public process. Funding your trust by retitling assets is imperative.

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Key Terms & Vocabulary

The terms below are frequently used in estate planning with the following definitions:

- **Beneficiary** – A beneficiary is a person who will receive the benefit of property from an estate or trust through an outright gift or receiving income or principal over a period of time.
- **Bequest** – A bequest is a gift of property made through a legal document, such as a will or a trust.
- **Charitable deduction** – The charitable contribution deduction reduces a donor’s taxable income by allowing individuals and businesses to deduct contributions of cash and property to qualified charitable organizations. There are thresholds and limits on charitable deductions which depend on the type of donation made, how individuals file their taxes, and an individuals adjusted gross income.
- **Charitable lead trust** – A charitable lead trust is a trust created during lifetime or at death that distributes a fix dollar annuity amount or percentage unitrust amount to a named charity for life or a period of years (“term”), with the remaining trust assets passing to designated non-charitable beneficiaries at the end of the term.
- **Charitable remainder trust** – A charitable remainder trust is a tax-exempt trust created during lifetime or at death that distributes an annuity or unitrust amount to one or more designated non-charitable beneficiaries for life or a period of years (“term”), with the remaining trust assets passing to charity at the end of the term. If appreciated assets are transferred to a charitable remainder trust and sold by the trust, the trust does not pay capital gains tax and the tax is deferred and paid by the non-charitable beneficiaries over time as they receive annual distributions.
- **Descendants** – A descendant is an individual’s children, grandchildren, and more remote persons who are related by blood or because of legal adoption. An individual’s spouse, stepchildren, parents, grandparents, brothers, or sisters are not included. The term “descendants” and “issue” have the same meaning.
- **Donor-Advised Fund (DAF)** – A donor-advised fund is a charitable giving account managed by a 501(c)(3) public charity (called the “sponsoring organization”). When a donor contributes to a DAF, they receive an immediate charitable tax deduction. The sponsoring organization invests the assets so they can grow tax-free, and the donor can recommend grants to qualified charities over time. Although the sponsoring organization legally controls the funds, it generally follows the donor’s recommendations when making grants.
- **Digital assets** – Digital assets are any electronic records or accounts that have value, which can be monetary or sentimental. They include online accounts like social media, email, and banking, as well as digital files like photos and documents, and also includes digital currencies, and intellectual property.
- **Executor** – A person named in a will and approved and appointed by the probate court to carry out the terms of the will and to administer the decedent’s estate. This is a different position than an trustee, but the executor and trustee may be the same person.

- **Gifting Strategy** – A gifting strategy is a plan to intentionally transfer assets during one’s lifetime to individuals, trusts or charity, most often with the goal to reduce one’s taxable estate at death and minimize potential estate taxes.
- **Heirs** – A person who may legally receive property or assets from a deceased person’s estate when they die without a will or trust in place (referred to as dying intestate). State laws determine who the heirs are and in what percentages the assets are passed down. Spouses and children are typically first in line, followed by more distant relatives like grandchildren, or parents and siblings, depending on the circumstances. Heirs, descendants, and beneficiaries are not synonymous, although they may refer to the same individuals in a particular case.
- **Living Will** – A living will is a type of medical directive that states if specific types of life sustaining medical care should be continued or cease if a person is no longer able to make medical decisions because of a terminal illness or being permanently unconscious. The laws for living wills may be different for each state. In some states, a health care agent appointed under a health care power of attorney or other health care directive may override a living will.
- **Per stirpes** – Per stirpes is a Latin phrase meaning “per branch” and is a method for distributing property according to the family tree whereby descendants take the share their deceased ancestor would have taken if the ancestor were living. For example, if you have three children and all are living, each child would receive an equal one-third share, but if one child is not living, that child’s one-third share is divided equally among the deceased child’s children.
- **Planned gift** – A planned gift, also referred to as a “legacy gift”, is a charitable donation planned in the present for future date and made as part of a donor’s overall financial, tax, and estate plan. Most commonly, these are charitable gifts made through a donor’s will or trust.
- **Probate** – Probate is the court-supervised process that occurs after one’s death, for either proving the validity of a will and distributing property under the terms of the will or, in the absence of a will, distributing property in accordance with a state’s intestacy law.
- **Power of attorney** – A power of attorney is a legal document that gives one person (the agent) the authority to act on behalf of another person (the principal). You can name an agent to handle legal and financial matters, sometimes referred to as a “property power of attorney”, and an agent to handle health care matters, sometimes referred to as “health care power of attorney” or “health care directive.”
- **Retirement account** – A retirement account is a financial account or plan established to accumulate savings for use after retirement. Common types include traditional and Roth IRAs, 401(k) and 403(b) plans, pensions, and other employer-sponsored retirement plans. These accounts offer tax advantages and are subject to federal rules governing contributions and required minimum distributions (RMDs). After the account owner’s death, distributions to beneficiaries must follow specific IRS rules based on the type of account and the relationship of the beneficiary to the owner. Retirement accounts can also be used to make charitable gifts, either during life or at death, often providing additional tax benefits.

- **Trust** – A trust is a legal arrangement in which property is transferred to and held by a trustee who manages the property for the benefit of one or more beneficiaries. Assets held in a trust are administered according to the terms of the trust agreement and, upon the trust creator’s death, may be distributed without the involvement of the probate court.
- **Revocable trust** – A revocable trust is a trust created during an individual’s lifetime over which the individual reserves the right to terminate, revoke, modify, or amend the trust. Also referred to as an “inter vivos” or “living” trust.
- **Irrevocable trust** – An irrevocable trust is a trust that cannot be terminated or revoked or otherwise modified or amended, permanently transfers assets out of the trust creator’s control, offering potential benefits such as charitable planning, estate tax reduction, asset protection and Medicaid planning.
- **Trustee** – The individual or bank or trust company designated to hold and administer trust property. The term usually includes original (initial), additional, and successor trustees. A trustee has the duty to act in the best interests of the trust and its beneficiaries and in accordance with the terms of the trust instrument. A trustee must act personally (unless delegation is expressly permitted in the trust instrument), with the exception of certain administrative functions.
- **Will** – A will is a legal document that states who should receive your property after your death. It also allows you to name someone to handle your affairs (executor) and, if needed, to appoint guardians for your minor children. A will only controls assets that are owned in your name alone, and therefore the distribution of those assets must go through the probate court process.