

Giving as a Part of Your Plan

The act of giving generously without expecting anything in return is true charity, but being charitable often comes with benefits, such as making us feel good about our gift, seeing improvements in our community or the relief on a loved one's face upon receiving your kindness. Whether it is a donation to your favorite organization or helping an elderly neighbor, we grow as a society through our charitable actions. How you choose to be charitable is a very personal decision and planning is a necessary part of the process. If you choose to give gently used household goods, you must consider the likelihood of needing that item in the future. If you give your time, you must evaluate your availability. If you give monetarily, when and how you gift those funds can be a complicated process that requires consideration and planning.

Questions such as how much to gift, how frequently and to whom are just a few items to consider. It is also important to think about what kind of impact do you want to accomplish with your gift. Are you thinking long-term, and want to leave an endowment or short-term to assist with a special project? When planning is done early, charitable gifts may be set up in a way that provides those making the gift not only with tax benefits, but income as well. In our article, [Enhance Your Giving](#), we outline several ways you can be strategic about your giving while achieving the goals you have set through your philanthropy.

A big part of the planning process for gifting is considering who is to receive your gift. If you want to give a gift to a charitable organization, you should research different organizations to ensure your gift is making the biggest impact. One way to conduct an evaluation is to investigate the charity. For example, you could volunteer with the charity, which not only helps with their mission, but also allows you to learn how they operate. Your volunteer work could be as minor as special events or as impactful as joining the board, but through the giving of your time, you can learn if the charity holds your same values.

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While volunteering can generate great insight, talking with friends and family about their experiences can also provide helpful information in your decision-making process. Whether your friend or family received a benefit from charity, volunteered, or has other knowledge, their experience can be invaluable in helping you make an informed decision.

In addition to gaining first-hand insight you could also utilize professional organizations such as [Charity Navigator](#) or [Charity Watch](#), who review charities and rank them based on numerous factors: operating budget, the impact the charity makes, the charity's history. Utilizing an independent organization can make it easier to find an effective charity. These services often examine charities on a deeper scale, making you feel more confident in your decision.

Finally, you can confirm an organization's tax-exempt status on the [Internal Revenue Service](#), (IRS), website which will verify the charity is registered as a 501(c)(3). This tax-exempt status is verification that the charity has completed the necessary steps with the IRS to be recognized as a charitable organization.

Once you have researched and found organizations you feel are worthy of your gift, it is important to set a budget. Giving should not cause financial difficulty for you now or in the future so ensuring your gifting fits within your short-term and long-term financial situation is crucial. As you set your budget, consider all charitable expenditures such as kids or grandkids fundraisers, religious tithing, or other one-time donations.

Giving can take many forms and provide benefits outside of charitable organizations too. For example, you may want to help a friend or family member financially. The IRS allows giving up to \$18,000 in 2024 to non-spouse individuals without paying a gift tax. Also, not all gifts are subject to the gifts tax. Paying the tuition of a friend or family member by making direct payments to the school is exempt from the federal gift tax.

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As part of your estate plan, you may wish to give during your lifetime. Gifting while you are alive can help reduce the size of your estate upon your passing, potentially decreasing or avoiding an estate tax. More importantly when you give during your lifetime you can watch your friends and family enjoy your gift. Maybe your gift will help your kids buy their first house or you could pay to take a friend on a dream vacation with you, making memories that can last a lifetime.

Being charitable is the act of making the day just a little better for another person. Donating your time, supporting a charitable organization, or giving generously to someone you love are wonderful ways to make a difference. With proper planning for giving, you can align your long-term financial goals with your drive to do good.

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