Morgan Stanley

Morgan Stanley Global Impact Funding Trust

Tax-Aware Giving: The Power of Complex Assets

Unlock the full potential of your wealth by turning complex assets into powerful tools for philanthropy. By donating complex assets—like private business interest or securities—you can liquidate complex assets to potentially offset taxable income while not triggering capital gains. Complex assets help you make a greater impact and align your giving with your overall financial goals.

Increased Charitable Impact

Giving complex assets allows for larger or more meaningful gifts than what might be feasible with cash proceeds from a sale alone.

Enhanced Tax Efficiency

Donating complex assets through MS GIFT can help offset capital gains taxes. Instead of selling the assets, paying taxes on the gains, and donating the remaining cash, you can donate the assets directly and maximize your impact.

Strategic Asset Management

Leveraging complex assets can help you manage your portfolio in a creative way, aligning your investments with your philanthropic objectives.

MS GIFT can Accept Donations of Complex Assets

Here's a breakdown of key categories of complex assets and how they can be used in your charitable giving:

1

Private Business Interest:

When to Use: If you own shares in private companies, donating them can help avoid capital gains taxes before a liquidation event.

Example: Shares of a family-owned business or startup.

2

Collectibles:

When to Use: If you have valuable collectibles, donating them can support a cause while avoiding capital gains tax on appreciated assets.

Example: Donating a valuable guitar collection.

3

Life Insurance Policies:

When to Use: If you want to make a significant future gift and receive immediate tax benefits, you can donate a paid-up policy or name a charity as a beneficiary.

Example: Transferring ownership of a life insurance policy or designating a charity as the beneficiary.

4

Retirement Assets:

When to Use: To minimize estate taxes and ensure your retirement accounts are used effectively for charitable purposes.

Example: Donating retirement account balances as part of an estate plan.

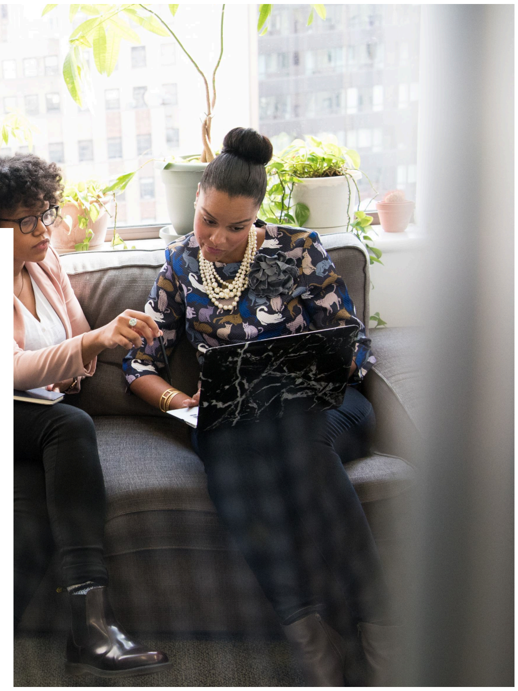
5

Real Estate:

When to Use: Ideal for appreciated property you wish to donate, providing significant tax deductions and avoiding capital gains taxes.

Example: Donating a vacation home or commercial property.

The Power of Complex Assets



01 Ukraine’s Jewel: A Story of Impact

In 2022, Betsy wanted to support Ukraine but faced a dilemma: selling her emerald ring would trigger a 24% capital gains tax, reducing her charitable contribution. Instead, she donated the ring to a Donor Advised Fund (DAF). This allowed her to avoid capital gains taxes and maximize her donation, with the full auction value going to Ukraine’s relief efforts.

02 A Legacy Preserved: The Estate of Arthur “Skip” Maggiora

When the estate of Arthur “Skip” Maggiora, a music legend, needed to contribute $4.8MM to charity to implement estate planning, a major challenge arose: his $1.8MM guitar collection. With limited liquidity and a looming tax deadline, a quick solution was needed. By using the guitar collection to fund a DAF, the estate’s liquidity issue was resolved, and potential IRS challenges were mitigated. This ensured that Skip’s legacy will be honored through a DAF.

03 Stock Gift Saves $360,000 in Taxes

When Lindsey's tech start-up went public, she faced significant capital gains taxes. Her financial advisor suggested using a Donor Advised Fund (DAF) to offset these taxes and support her community. By donating $18 million in stock to a DAF, Lindsey generated a charitable deduction that offset her capital gains, saving $360,000 in taxes. After the required lock-up period, the DAF sold the shares, and Lindsey's contributions continue to fund local charities, ensuring her success benefits others.

We're Here to Help

Our expert team is ready to guide you in integrating these assets into your giving strategy. If you have questions, need assistance, or are considering an asset type not listed here, don't hesitate to reach out—we're here to help you explore all your options.

Disclosures:

The Morgan Stanley Global Impact Funding Trust, Inc. (MS GIFT) is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, that sponsors a donor advised fund program. MS Global Impact Funding Trust (MS GIFT) is a donor advised fund. Morgan Stanley Smith Barney LLC provides investment management services to MS GIFT. Back office administration provided by Ren, an unaffiliated charitable gift administrator.

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Although donors will have certain rights to make recommendations to MS GIFT as described in the Donor Circular & Disclosure Statement, contributions become the legal property of MS GIFT when donated. The Donor Circular & Disclosure Statement describes the risks, fees and expenses associated with establishing and maintaining an MS GIFT account. Read it carefully before contributing.

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