

SELLING A BUSINESS

I had visited with this man several times and provided him with a gift analysis showing the tax benefits if he gave our charitable organization stock from his closely held business. The stock was up to \$75 a share and he was thinking of retiring soon. His cost basis was very low so he faced capital gains tax consequences. Each time he said “No, not yet, the stock is still going up in value.”

Well, one day he called in a panic and said the stock was “headed south,” in fact it had fallen to \$25 a share. He owned thousands of shares and his paper loss was substantial. He said he was still looking for someone to purchase the company and had a beginning conversation with a company but no agreement had been signed. I suggested one more time that he consider contributing several thousand shares to establish an endowment account in his and his wife’s names to support our work with children. He lamented: “If only I would have done it when the stock was \$75 a share.” He sighed and said: “I guess it’s true, hind sight is always 20 20!”

To ease the pain somewhat, I suggested his stock gift could establish a Charitable Remainder Trust that would provide him and his wife retirement income for life. After their lives were completed, the named endowment account would then be established to support our charitable organization’s mission. Planned Giving concepts are designed to provide the donor with the best outcome possible and sometimes that means the charitable organization must wait for their gift. If the company stock had not dropped in value, the donor would have made the gift directly to our organization and not needed the Charitable Remainder Trust for retirement income.

Perhaps you have been thinking of selling your business. Have you considered giving stock from your company to your favorite charitable organization but have hesitated because you were concerned that the organization’s Board of Directors would not be able to handle a gift of that magnitude? With no investment worries, maybe an ongoing gift of income would be a blessing to your favorite charitable organization.

Please consider **The Community Foundation for Carver County**. The Foundation was established to assist those wanting to make philanthropic gifts to support their favorite charities. And, the endowment account you establish, could bear your family name in perpetuity. Earnings could be designated for one or more of your favorite charities ongoing ... into the future. Call or e-mail me to set a time to begin planning your estate gift. If your business has increased in value, perhaps now is the time to begin the planning needed to accomplish your philanthropic objectives.

The Foundation is offering a free **Guide to Distributing Your Estate**. For your free no-obligation copy please call (952) 250-5138 or Email info@carvercountyfoundation.org.

I look forward to hearing from you.

Learn more about the foundation at: www.carvercountyfoundation.org.



Bob Golberg is a Planned Giving Specialist and Victoria resident. He may be reached at (952) 486-1127.