

# What is the best way to leave a legacy?

BY JAMES W. LINTOTT

**WHAT MAKES A GOOD CHARITABLE ADVISOR...**

An expert who invests in relationships with clients, understands their needs and provides innovative solutions that achieve their philanthropic goals.



Left to right: James W. Lintott, Peter F. Najera, Ellen K. Fishbein, Giovanni T. Kotoriy

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**PROFESSIONAL SERVICES PROVIDED**

Private foundation management services, charitable consulting, charitable remainder trusts, family office services

**LARGEST CLIENT NET WORTH**

\$500+ million

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hat does it mean to create a legacy, and how is that task best accomplished? Is passing down to your children the value of charitable giving important to you? Are you interested in advancing causes you believe in while gaining significant tax deductions? If you answered “yes” to any of these questions, then a private foundation may be the right charitable vehicle for you.

**THE GOLD STANDARD**

For a donor with the means, no other charitable vehicle can match the unique combination of flexibility, control and tax advantages that a private foundation offers. A private foundation gives its founder the ability to build a permanent legacy, make a difference in the world, gain personal satisfaction and recognition and keep control within the family forever. It also offers an array of tax and financial benefits.

**CREATE A LEGACY**

The history of charitable foundations dates back to Plato, who left income from his estate for the perpetual support of his academy. Control passed through heirs who each designated a successor, and the academy Plato founded thrived for 856 years. By engaging their children from an early age in their foundation's operations or programming, today's donors can similarly perpetuate their own charitable legacies and pass down their values for generations to come. A private foundation

grow, despite two of the worst stock market dives in the past century.

**MAINTAIN FAMILY CONTROL**

Control over how money is spent is often an issue. But, with a private foundation, the donor retains full control. That control extends to all aspects of the foundation: its name; who is on the board; when, how, and to whom the money is donated; how the money is invested; and the choice of the bank or institution that will actually hold the funds.

“Private foundations remain the Gold Standard when it comes to leaving a legacy.”

is also an effective tool for maintaining close family bonds and creating a strong awareness of social, medical and educational issues.

**MAKE A DIFFERENCE**

A truly effective foundation is much more than a sum of money set aside for philanthropic use. It is the carefully cultivated, ever-evolving product of the founder's vision and drive. The ways in which foundations make a difference are as varied and unique as their founders.

**ACHIEVE PERSONAL SATISFACTION AND RECOGNITION**

Establishing a private foundation brings not only personal gratification, but recognition, and you cannot put a price on either of these intangible benefits. The private foundation, in fact, has become the status symbol of choice. And these efforts are increasing: In the first decades of this millennium, the number of foundations has continued to

**TAX INCENTIVES**

Since 1913, when the 16th Amendment introduced the income tax, Americans have found financial incentives in giving to charity. When the estate tax was introduced three years later, even more incentives for charitable donations were created. Although tax rates have varied over the years, contributions to charity have always been a perfectly legal, actively encouraged way to save on taxes.

Private foundations, as well as public charities, benefit from four tax incentives, designed to encourage charitable giving: 1) current-year income tax deductions; 2) income-tax-free growth of the foundation's assets; 3) an exemption from estate and gift taxes; and 4) the ability to avoid capital gains tax on appreciated stock.

**CONCLUSION**

In sum, private foundations offer the opportunity to create a legacy that reflects your philanthropic vision and promotes a charitable philosophy through subsequent generations as well as offers legal control, flexibility and substantial tax benefits. Creating a private foundation gives you the opportunity to be remembered for what you did for others, rather than what others did for you. What could be a better legacy? ●

**ABOUT US**

**STERLING FOUNDATION MANAGEMENT LLC IS THE OLDEST NATIONAL FOUNDATION MANAGEMENT FIRM IN THE COUNTRY AND THE NATION'S LEADING FACILITATOR OF SALES OF INCOME INTERESTS IN CHARITABLE REMAINDER TRUSTS.** Sterling works with a broad range of clients and high net worth individuals to develop solutions that help them achieve their philanthropic, family and financial goals through the effective use of private foundations and other charitable-planning vehicles and financial services. ●