Wealth Management
Dominion Securities

How the Private Family Reserve Enhances Planned Giving

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Many families want to support a cause they care about. A Private Family Reserve can help enhance planned giving strategies.

There are two distinct ways to structure this gift: Donor-owned life insurance and charity-owned life insurance. Each supports your charitable intentions, but each has different implications for liquidity, control, and tax benefits.

Donor-owned life insurance (DOLI): You own the policy, the charity receives the benefit

In this structure, you remain the owner of a carefully designed participating whole life policy. You retain full access to the cash value during your lifetime, and you name the charity as beneficiary.

This path protects your personal liquidity. You can borrow against your own policy when needed, just as you would with any Private Family Reserve strategy. Your capital continues to grow in a stable, compounding environment, and the full death benefit eventually flows tax free to the charity.

The tax benefit occurs at death. Your estate receives the charitable donation credit when the death benefit is paid to the organization.

This option is ideal when you want to support a cause you love while maintaining control of the tree during your lifetime.

Charity-owned life insurance (CHOLI): The charity owns the policy and is the beneficiary

Here, you donate funds earmarked for premium and the charity becomes both owner and beneficiary of the policy.

Once the money is donated, you no longer have access to it. You have completed the gift. The charity now controls the policy, the cash value, and the long-term benefits. For many donors, this is entirely appropriate because they intended to give the money to the charity anyway.

You receive annual tax receipts for your contributions to the premium. The charity gains a growing asset that builds guaranteed cash value and eventual death benefit. This strengthens their financial foundation and allows long term planning with more certainty and confidence.

This option is ideal when the donor wants to maximize annual charitable deductions and prefers the charity to have direct, immediate ownership of the tool that builds their future financial orchard.

Both approaches multiply impact

Whether you own the policy or the charity does, the principle remains the same. You are planting a seed in a place where it can grow for decades. A carefully designed participating whole life policy gives your gift the chance to compound quietly in the background, producing fruit long into the future.

If you want to support a mission with greater efficiency, CHOLI creates a structure where every dollar works harder. If you want to protect your own liquidity while still creating a meaningful legacy, DOLI with a charitable beneficiary can be the right fit.

Both paths can create long-term impact. The only question is which one aligns best with your goals, your family, and the cause you care about.

I can help you compare these two structures so you can clearly see exactly how the gift grows over time.

Why CHOLI works so well for both donor and charity

A well-structured policy creates a pool of reliable, liquid capital that grows every year on a guaranteed, compounding basis. It protects the tree, your capital, and creates fruit, long term value, for the charity.

When a donor contributes funds earmarked for premium, the charity becomes the policy owner and the beneficiary. The charity now holds an asset that grows even while they use it. Cash value builds early, grows tax efficiently, and can be accessed through policy loans for planned projects or operating needs. The underlying capital continues to compound the entire time. This is the same principle we teach Wealth Creators. Put money where it can grow, and then borrow against it so you never chop down the tree.

Many donors are surprised to learn that the gift they provide grows into more purchasing power for the charity than the original amount they contributed. Over time, the annual growth inside the CHOLI policy can exceed the annual premium itself. Your gift multiplies because it is working inside a system designed to protect compounding rather than interrupt it.

Eventually, the charity will also receive a significant, tax-free death benefit. This creates a long-term reserve that supports programs, stabilizes budgets, and reduces dependence on outside funding sources.

The strategic advantage for donors

CHOLI allows a donor to create meaningful impact today and a transformational legacy tomorrow. It supports the causes they love without draining personal liquidity. For business owners and incorporated professionals, it adds an efficient way to give, minimize unnecessary tax, and ensure that their money continues to serve the family and the community.

Instead of giving cash that stops working once it leaves your hands, you place your gift into a system where every dollar builds capital for decades. That is stewardship. That is legacy.

The strategic advantage for charities

Charities often live with financial uncertainty. Revenue comes in waves. Expenses never stop. Development teams work tirelessly to fill the bucket, yet leaks remain. CHOLI helps plug these leaks by creating a dependable, internal reserve of capital the charity controls.

Cash value can be accessed for program launches, building improvements, or bridge financing during slow donation seasons. There are no grant applications, no reporting restrictions, and no external decision makers. The charity regains control of its finance function and can plan with confidence.

Over time, the death benefit and dividends can meaningfully strengthen the organization's financial foundation. The charity can operate with less stress and more certainty, which means more focus on mission and less on fundraising pressure.

A win for donors. A win for charities. A win for the community.

Stewardship means making money work as hard as you do. CHOLI allows donors to plant a seed that grows into a lasting financial orchard for the organizations they care about. The tree grows, the fruit benefits generations, and both the donor and the charity gain clarity, control, and peace of mind.

If you want to explore how a Private Family Reserve approach and CHOLI could enhance your own giving strategy, I would be happy to walk you through it. When you understand the problem, the solution becomes obvious. In planned giving, CHOLI is often the quiet, elegant solution that protects the tree and multiplies the fruit.