

## Giving to the Community Foundation

### HOW CAN YOU GIVE TO THE COMMUNITY FOUNDATION?

Numerous outright and deferred gift options exist under the Community Foundation umbrella, such as current stock or real estate gifts, testamentary gifts, charitable remainder and lead trusts, gifts of life insurance and gifts of retirement accounts. For all gift plans, The Community Foundation strongly encourages donors to meet with their professional advisors prior to executing any gifts. Some of the options are summarized below.

#### GIFT OPTIONS

Current Gift of Appreciated Public Stock or Real Estate: Smart way to give

Do you own assets that have substantially increased in value over the years? Donated assets such as stocks, bonds, mutual funds or real estate may provide you with an income tax deduction based on the fair market value of the gift and eliminate all capital gains taxes. This would allow you to make a substantially greater gift than you otherwise would have thought possible for the same out-of-pocket cost.

Bequest: Simple ways to leave a substantial gift

A bequest to the Community Foundation is as simple as adding a codicil to a will. This is the most common planned gift and it may provide you with valuable estate tax savings. A "dry fund" can be established during life incorporating terms suitable to you, with funding to occur at your death by an appropriate provision in your last will and testament, trust or beneficiary designation. Our staff will be happy to work with you and your advisors to customize a plan suitable to you.

Life Insurance: A large gift with a small cost

One of the simplest ways to make a significant contribution is to give a life insurance policy to the Community Foundation. A person may do this in a number of ways. He or she may give a policy no longer needed, take out a new policy or name the Community Foundation as a beneficiary of an existing policy. A gift of life insurance may provide valuable income, gift and estate tax savings.

### Charitable Remainder Trust: Tax free diversification

Do you own low-yielding assets such as real estate or securities that have appreciated in value? Would you like to sell those assets and reinvest in higher income producing vehicles? A charitable remainder trust may help you eliminate capital gains taxes upon sale of the asset, reduce or eliminate estate taxes, improve lifetime cash flow, and, when coupled with an asset replacement trust, provide for your heirs as well.

### Retirement Accounts: One of the most efficient ways to give

Qualified retirement plan accounts are subjected to layers of taxation (e.g., estate tax, generation-skipping transfer tax, state estate or inheritance taxes, federal income tax and state income tax). In some cases, the combination of these taxes can be as high as 75-85 percent! A charitable gift of these funds, however, will provide a charity with the full 100 cents on the dollar. The 15-25 percent after tax amount the heirs would have received may be "made up" with an asset replacement trust. Numerous other innovative retirement plan giving opportunities exists, and we would be happy to provide additional information upon request.

### Charitable Lead Trust: Charity benefits now, your heirs benefit later

If you would like to benefit a charity for a number of years and then have the assets pass to your designated heirs with a significantly reduced amount of estate/gift taxes, a charitable lead trust might be the solution. This trust makes variable or fixed charitable distributions for a term of years with the remainder going to a non-charitable beneficiary.

### Life Estate: Use the property during life and create a charitable fund at death

Since values have dramatically increased over the past few decades, it is not unusual for people to own valuable pieces of real estate. If you would like to use the property during your lifetime, but make arrangements to give it to the Community Foundation upon death, you may receive a current income tax deduction and future estate tax deduction.

## SPECIAL SITUATIONS

### Unique Assets

The Community Foundation may be able to participate in a philanthropic plan that may include various gift assets, such as closely held stock (private or restricted stock), qualified or non-qualified stock options, or family limited partnership interests.

#### Unique Form

The Community Foundation represents an excellent alternative to supporting organizations and private foundation. We can also provide customized administrative and grant-making functions to existing supporting organizations or private foundations.

#### Unique Conversions

The Community Foundation is an ideal recipient of nonprofit to for-profit hospital conversions (or any other businesses for that matter). Also, if a nonprofit is closing its doors, we can provide a fund where the mission and name of the organization will continue in perpetuity.

Existing private foundations also may be converted into a donor advised fund or supporting organization with the Community Foundation. This new fund may retain the name and the purpose of the private foundation while alleviating the administrative and compliance functions.

#### Unique For-Profit and Nonprofit

The Community Foundation can partner with corporations to help fulfill their charitable objectives. We also encourage charities to consider using the Community Foundation to house their endowment funds. We add value by leveraging investment and cost efficiencies, while also providing comprehensive planned giving and endowment support.