



## GIFTING OPTIONS

In this brochure we share ideas that may be useful as you consider your charitable gift plans.

### **The tax laws intentionally encourage charitable giving.**

***Example:** If you make a charitable gift of \$10,000, you can save \$2,800 in taxes if you are in the 28% tax bracket.*

## GIFTS OF CASH

Most cash gifts are in the form of a check written by the donor. If you itemize, your outright gifts of cash are fully deductible for federal income tax purposes up to 50% of your adjusted gross income. If your total gifts should exceed this limitation, the excess may be carried forward for tax purposes for up to five additional years.

## GIFTS OF SECURITIES

### **Many donors prefer to gift stocks.**

Giving appreciated stock provides a two-fold tax savings. First, you avoid paying any capital gains tax on the increase in value of the stock. In addition, you receive a tax deduction for the full fair market value of the stock on the date of the gift. For income tax purposes, the value of such gifts may be deducted up to 30% of adjusted gross income with an additional five-year carry forward.

***Example:** If you purchased a stock over one year ago for \$1,000, and it is now worth \$10,000, an outright gift of that stock to ACCF would result in a charitable deduction of \$10,000. In addition, you permanently avoid paying capital gains tax on the \$9,000 of appreciation.*

## GIFTS OF OTHER ASSETS

Many times, donors to ACCF have found that gifts of assets other than cash or securities are an effective way to give. Such gifts will be valued at fair market value as determined by a qualified third-party appraiser, subject to IRS rules and regulations.

## GIFTS OF REAL ESTATE

If you have owned your home, a vacation home, acreage, or a farm for many years, a charitable gift of that real estate can be especially tax-advantageous.

The property may have so appreciated in value over the years that its sale would result in a sizeable capital gains tax. If given outright instead, you avoid the tax and, at the same time, realize a charitable deduction for the full fair market value of the real estate.

## GIFTS OF LIFE INSURANCE

If you own a life insurance policy that is no longer needed, it is a perfect vehicle for a charitable gift.

To receive a charitable deduction, name the Ashland County Community Foundation as both the owner and beneficiary of the policy. If the policy has a cash value, you are entitled to a charitable income tax deduction of the lesser of the policy's cash surrender value or the amount of premiums paid. In addition, if annual premiums are due, the donor may make annual contributions to ACCF each year for the premium payments and receive a charitable income tax deduction for the amount of premiums.

## LIFE INCOME GIFTS

A life income gift allows you to transfer assets to ACCF, and yet continue to receive the income from the cash, stock, or other property contributed. A life income gift can allow you to: (1) increase your income for life; (2) receive a generous charitable contribution deduction; and (3) if you contribute stock, avoid any capital gains tax on appreciation.

## CHARITABLE GIFT ANNUITIES

Seniors seeking a secure fixed income stream for life while fulfilling their charitable desires at death will find gift annuities very attractive. Benefits include receiving an income of up to 9.0% for life backed by the assets of ACCF, an immediate income tax deduction, and partially tax-free income. If funded with appreciated securities, the donor will enjoy a partial bypass of capital gains taxation on the securities. CGAs can be written for one life or two lives.

A **Deferred Gift Annuity** allows the donor to defer payment of the annuity to a later date, for example retirement, and receive a higher current income tax deduction and receive a higher rate of return on the annuity payments.

## CHARITABLE REMAINDER TRUSTS

A life income gift is often made through a trust arrangement called a **"unitrust"** or an **"annuity trust."** With a unitrust, you and/or your spouse (or another beneficiary) receive annually a fixed percentage of the fair market value of the assets in the trust. The income received will vary from year to year, based upon how the trust's investments perform. With an annuity trust, you and/or your spouse (or other beneficiary) receive a fixed amount from the trust. This amount is agreed upon when you create the trust; it stays constant, no matter what happens with the stock market or interest rates.

A **charitable lead trust** is also an option and would provide income to the Foundation for a set term of years, after which the remainder may be transferred to the donor's family or heirs.

## Bequests

Frequently, people desire to make a significant current gift to the community through the Foundation, but feel that their generosity must be tempered by financial responsibilities they have to themselves and their loved ones. Charitable bequests provide flexibility since they may be changed at any time, and can be made in memory of loved ones.

Ashland County Community Foundation can be named as a beneficiary in a will in any one of a number of simple ways, and your estate will be entitled to a charitable deduction for the full, fair market value of your gift.

- **General Bequest**

Leave a specified dollar amount to ACCF.

- **Specific Bequest**

Designate specific property (e.g. a home, farm or shares of stock) to ACCF.

- **Residuary Bequest**

Name ACCF to receive all (or a portion of) your estate.

- **Percentage Bequest**

Direct that ACCF receive a percentage of your estate or residuary estate.

- **Contingent Bequest**

To prepare for the situation in which a beneficiary dies before you or disclaims the property, name ACCF as the contingent beneficiary.

You could easily include ACCF in your will through a simple amendment called a codicil; thus your entire will does not have to be redrafted.

Example: I give to the Ashland County Community Foundation, located at 300 College Avenue in Ashland, Ohio 44805, \_\_\_\_\_.  
*Indicate one of the bequest options previously mentioned.* This gift is to be placed in the ACCF General Endowment Fund to support in perpetuity the Foundation's programs and activities to meet the needs of our community.

## ACCF Encourages Philanthropy for the Generations to Come

- **Donor Agent**

*Assuring donors' wishes are carried out*

- **Grant Provider**

*Administering funds to those with needs*

- **Community Player**

*Fully engaged in Ashland County's future*

For more information, please contact:



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Excellence. Accountability. Impact.™

Confirmed in compliance with National Standards for U.S. Community Foundations.

This general information is intended as a service for charitable giving. ACCF is not engaged in rendering financial, legal or tax advice. Please contact your professional advisors for guidance.

## Gift Opportunities



## Ashland County Community Foundation

**Using your Gifts to  
Build our Community...  
for Generations to Come.**

