Eureka Rescue Mission
Planned Giving Opportunities

Planned giving is as easy as making a charitable gift, and saving or potentially earning money in the process. We would like to make it even easier with this detailed guide to the various methods of making a planned gift and the associated tax advantages. We hope you find this useful and we are happy to answer any additional questions you have. It is such a blessing to witness the grace of giving in our community as well as the glory that is given to God because of it. Remember that your particular financial and estate situation is unique and it is essential to check with your attorney, accountant, or other tax advisor to see how these general options apply to your situation.

GIFTS OF CASH

If you itemize, you can lower your income taxes by simply writing a check. Gifts of cash are fully deductible, up to a maximum of 50% of your adjusted gross income.

GIFTS OF STOCK

If you own stock, it is more tax-wise to contribute stock than cash. This is because a gift of appreciated stock (stock that has been held for over a year) has a two-fold tax saving. First, you avoid paying any capital gains tax on the increase in the value of the stock. Second, you receive an income tax deduction for the full fair market value of the stock at the time of the gift. The gift of appreciated stock is fully deductible, up to a maximum of 30% of your adjusted gross income.

GIFTS OF REAL ESTATE

A gift of real estate can also be tax-wise. A residence, vacation home, farm, acreage, or vacant lot may have so appreciated in value over the years that its sale would result in a sizeable capital gains tax. By making a gift of this property instead, you would avoid the capital gains tax, and at the same time, receive a charitable deduction for the full fair market value of the property. It is also possible to make a gift of your home or vacation home so that you and your spouse can continue to use it for your lifetimes while you receive a current income tax deduction. The precise amount of the deduction depends on the age of the giver, the useful life of the house, and other factors.

BEQUESTS

We can be named as a beneficiary in your will in a number of simple ways. An outright gift, either a designated dollar amount or percentage of your estate, could be specified. We could also be named as a remainder beneficiary to receive funds only after specific sums have been paid to individual beneficiaries. It may be helpful to know that you can easily add us to your will through an amendment called a codicil, so you don't have to redraft your will. A contingent bequest can be made that states we will only receive funds if a named individual does not survive you. Such a provision recognizes the need to provide first for the security of loved ones.

CHARITABLE REMAINDER ANNUITY TRUST

Your gift is administered as a trust. At the time the trust is created, you give instructions to the trustee to pay you, or another designated beneficiary income for life. If you have securities that aren't meeting your required rate of return they can be transferred and become the principal asset in the trust. You receive a fixed dollar amount annually. After the life income payments to you or the designated beneficiary are complete, we receive the remainder of the assets in the trust. There is also a *charitable remainder unitrust* that, instead of fixed payments, the payments are a percentage of the fair market value of the trust's assets as those assets are revalued annually. This is a variable payment plan .

CHARITABLE LEAD TRUST

This allows you to pass significant assets to younger family members with little or no gift or estate tax payable to the government. Under this arrangement, you transfer assets to us for a specified number of years, after which time the assets remaining in the trust would go to your loved ones. This trust means the opportunity to transfer substantial assets to younger generations, completely or significantly free of transfer taxes.

Always check with your accountant or tax advisor about the advantages or possible drawbacks of making a planned gift, based on your circumstance. Your attorney or broker would secure the gift.

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