Ways to Give

There are a variety of methods and forms of charitable giving. In all cases, the donor can direct gifts to general areas of interest or to specific charitable organizations.

The Foundation encourages you to consult your tax adviser or estate planner about your plans for charitable giving and for advice in making the best choices for your philanthropic and financial goals.

Types of Gifts

A **cash gift** - which can be made by check or credit card - is the simplest way of making a charitable contribution. Cash gifts are fully deductible for federal income tax purposes. The maximum deduction in one year is limited to 50% of the donor's adjusted gross income. Unused deduction amounts exceeding this limit may be carried forward for up to five years.

A gift of **appreciated securities** - like stock and bonds, including stocks in closely held companies - provides important tax advantages. The full fair market value of the donated appreciated securities is fully deductible as a charitable contribution for federal income tax purposes. Unused deduction amounts exceeding this limit may be carried forward for up to five years. Additionally, the donor does not pay federal capital gain tax on the appreciated portion of the gift.

A gift of **real estate** may provide many tax advantages. Gifting a residence, vacation home, commercial building, ranch land, vacant property, or easement may also provide lifetime income when the donor retains a **life estate** in the property. The donor may receive a generous income tax deduction for such a gift.

A gift of **retirement plan assets** is a farsighted and thoughtful way to make a charitable contribution. The donor may give IRAs, 401(k)s, and profit-sharing plans, which provides the donor with a number of significant financial and tax advantages. Unlike many assets, retirement plan assets are potentially subject to both income and estate taxes; however, naming the Foundation as the beneficiary potentially eliminates these taxes.

A gift of **life insurance** may be a substantial contribution. By assigning ownership to the Foundation, the donor may receive a tax deduction for the cash value of the policy and the premiums paid each year.

P.O. Box 41, Angel Fire, NM 87710 **575.377.2344** **board@angelfirecommunityfoundation.org**

A **bargain sale** is the type of gift where the donor sells an appreciated asset, usually real estate, to the Foundation at a discount or below fair market value. The gift amount is the difference between fair market value and the cash received in exchange for the gift.

A gift may continue to **provide income** in your lifetime. Examples include **Charitable Gift Annuities** and **Charitable Lead Trusts**.

Charitable Lead Trusts provide income to the Foundation for a specific period of time and then distributes the remaining assets to the donor or others designated by the donor, usually the donor's heirs. Significant estate tax savings are possible with this type of gift.

A **bequest** is a gift left by the donor in his or her will or living trust. Setting up an endowment in the name of the donor's family's to support the donor's favorite charities is a wonderful way to continue supporting the donor's philanthropic priorities in perpetuity. The donor may select an exact amount, a certain percentage, or a particular asset to give.

A **private foundation** may make a direct gift or transfer all or part of its assets to the Foundation. The identity and purpose of the original donor are preserved, and the donor or other designated by the donor may participate as fund advisors.

A **charitable distribution from the donor's IRA** is a gift where an IRA owner at least 70 1/2 years old directly transfers up to $100,000 tax-free per year to an eligible charitable organization such as the Foundation. This provides the donor an exclusion from gross income for otherwise taxable IRA distributions. Eligible IRA owners may take advantage of this provision regardless of whether they itemize their deductions.