

## Planned Giving at Family Support & Treatment Center

Family Support & Treatment Center (FSTC) welcomes donations made through planned giving and estate planning vehicles—thus benefitting both you and our community. Remember this as you plan: making a charitable gift to Family Support & Treatment Center can help you achieve your financial objectives while also establishing a lasting legacy in Utah Valley.

These giving vehicles include gifts from:

- **Bequests** (through wills or living trusts)

Bequests are the easiest and most common form of gift planning. A bequest to Family Support & Treatment Center is as simple as an amendment (codicil) to your will stating, "I give the rest, residue, and remainder of my estate (or a dollar amount) to Utah Valley Family Support Center, Inc." Bequests may provide you with valuable estate tax savings.

- **Securities**

- **Giving Appreciated Stock**

If you are contributing \$500 or more to Family Support & Treatment Center or another charitable organization, it may be advantageous to contribute stock, rather than cash. By making a gift of securities, contributors may:

- Claim the market value of the stock as a tax deduction, which is usually more than the actual amount paid for the shares.
- Avoid capital gains, state and local taxes on the profit from the sale the securities. There are only two simple steps to donate securities to Family Support & Treatment Center.

Contact your broker and request a transfer of securities to the Family Support & Treatment Center account. Please do not send stock certificates by mail.

- **Giving Depreciated Stock**

Making a charitable contribution by leveraging depreciated stock may also be to one's financial advantage. The contributor should simply place an order to sell the stock, and then contribute the cash proceeds. The advantage to the contributor includes:

- claiming a capital loss on your income tax return (Form 1040), thereby lowering your overall annual income, and therefore reducing your tax liability.
- making a charitable contribution from an unfavorable investment.

### Appreciated Securities

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 may allow you to make a substantially larger gift (typically between 45-70 percent) for the same out of pocket cost.

- **Life insurance**

One of the simplest ways to make a significant charitable contribution is to give a life insurance policy to Family Support & Treatment Center, if it is no longer needed for your family's protection. Another way is to purchase a new life insurance policy, naming Family Support & Treatment Center as the beneficiary.

- **Real estate**

If you own a home or other property you no longer wish to occupy or manage and you would like to make a charitable gift, you may find that a gift of real property can be a very efficient way to use your property to meet both goals.

- **When property has grown in value**

If you sell real estate you have owned for a number of years, it is likely that you will be faced with a sizable capital gains tax, especially if the property is not your residence. Through an outright gift of such a property, a double tax savings is possible. First, in most cases you will receive a charitable income tax deduction for the full value of the property—a savings of as much as 40% or more of the property's value. In addition, you will not be liable for capital gains tax on the transfer since the property was given rather than sold.

- **When property has decreased in value**

A different strategy might be best if you own property that has decreased in value. In such a case, a gift of the property outright will entitle you to a deduction for only the fair market value of the property—less than what you paid for it.

It would be better to sell the property and make a gift of the cash proceeds. In this way, you establish a capital loss that you may be able to deduct from your taxes, as well as a charitable deduction for the amount of the cash gift. The net result can be to take deductions that are actually worth more than the current value of the property.

- **Retirement assets**, such as pension plans or individual retirement accounts (IRAs)

If you're interested in pursuing this method of giving, please send an email to Family Support & Treatment Center with a brief description of your interest.

- **Gift annuities**

A charitable annuity provides you with a guaranteed income stream for life and a charitable deduction when you contribute assets to Family Support & Treatment Center and get a charitable deduction. Charitable annuities can ease the worries of outliving your resources and provide revenue to the contributor coupled with numerous tax advantages.

- **Pooled income funds**

When you contribute to the pooled income fund for our organization, you receive an income for the rest of your life, as well as a current income tax deduction. You make a meaningful gift to us—a gift that also gives back to you.

- **Charitable trusts**

- **Charitable Remainder Trust**

Do you own low yielding assets like real estate or securities that have appreciated in value? Is your objective to sell those assets and reinvest in higher income vehicles? A charitable remainder trust may be your best solution. Trusts help eliminate capital gain taxes, reduce estate taxes, and give you a current tax deduction. A charitable remainder trust increases lifetime cash flow, by paying the contributor an annuity, and may enable you to pass more assets to your heirs, as opposed to inheritance taxes.

- **Charitable Lead Trust**

For people with estates in excess of \$1 million, proper estate planning may save your family from unnecessary taxation. A charitable lead trust is a popular method of ultimately transferring assets to children or grandchildren, while reducing or avoiding estate/gift taxes. The current income is designated by the contributor to charitable organizations for a pre-determined number of years. After the term, the contents of the trust are transferred to designated heirs of the contributor.

## **A Lasting Legacy**

Your planned gift will ensure that your impact on the community will continue. In addition, your example will inspire others to do likewise. As with any charitable giving or investment tool, please seek advice from a trusted advisor. If you need help finding an advisor, we can assist you.

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