

TOOLS FOR GIVING

Turning stock market gains into community investment

Gift of Appreciated Stock



Everybody wins when you make a gift of appreciated stock to your community foundation. Your gains are put to good use. Your gift of stock is reinvested in your community, and it qualifies for an immediate tax deduction based on the full fair market value.

How it works

- You make a gift of appreciated stock to your community foundation.
- Your gift can be placed into any of our charitable funds. For example, you can use your gift to create a Donor Advised Fund in your name, in the name of your family or business, or in honor of any person or organization you choose. You can then stay involved in recommending uses of the fund.
- Your gift qualifies for a tax deduction based on the full market value of your stock; you avoid the capital gains tax that would otherwise arise from the sale of this stock.
- We handle all the administrative details.
- Your gift can be placed into an endowment that is invested over time. Earnings from your fund are used to make grants addressing community needs. Your gift — and all future earnings from your gift — is a permanent source of community capital, helping to do good work forever.

Generating a return for your community

“Our stock returns provided the means for giving to our community,” say Joanne and Gerald Johnson. That’s why they joined the many people who choose to contribute appreciated stock to open a Donor Advised Fund. Last year, The Johnson Fund supported a local family outreach program, a homeless shelter, and a local theatre group. “Some of our charities are too small to accept direct stock gifts,” says Joanne. “Giving through the community foundation eliminates that barrier.” The Johnsons receive a tax deduction on the full market value of their appreciated stock, while avoiding the capital gains tax that would otherwise arise from sale of this stock. Gerald says, “It’s a simple, satisfying way to give.”



Four County

community foundation

For good. For ever.™

Contact information:

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231 E. St. Clair, P.O. Box 539

Almont, MI 48003 • www.4ccf.org

Ten reasons people choose to give through community foundations

one

We are a **local organization** with deep roots in the community.

two

Our professional program staff has **broad expertise** regarding community issues and needs.

three

We provide highly **personalized service** tailored to each individual's charitable and financial interests.

four

Our funds help people **invest in the causes** they care about most.

five

We accept a wide **variety of assets**, and can facilitate even the most complex forms of giving.

six

We partner with **professional advisors** to create highly effective approaches to charitable giving.

seven

We offer maximum **tax advantage** for most gifts under federal law.

eight

We **multiply the impact** of gift dollars by pooling them with other gifts and grants.

nine

We build **endowment funds** that benefit the community forever and help create personal legacies.

ten

We are a **community leader**, convening agencies and coordinating resources to create positive change.

More benefits

Giving appreciated stock through a community foundation is popular among a range of givers — individual investors, families, entrepreneurs, and even groups of friends who have formed investment clubs.

By giving stock through your community foundation, you can avoid capital gains taxes that would be due as a result of its sale and establish a charitable fund that benefits the local causes and organizations you care about most. With gifts of appreciated stock, your stock market earnings translate into community impact, so you get a more rewarding return on your portfolio. You can set up a scholarship; support special programs for at-risk youth, senior citizens, or other people in need; address environmental concerns; or support the arts.

Community foundations provide a simple, powerful, and highly personal approach to giving. We offer a variety of giving tools to help people achieve their charitable goals.

You can make a gift of cash, stocks, bonds, real estate, or other assets to your community foundation. Most charitable gifts qualify for maximum tax advantage under federal law. For more information and ideas on ways to integrate your financial planning with charitable giving, ask your financial advisor or contact your community foundation.

A legacy of giving

Bequest by Will



Including a charitable bequest in your will is a simple way to make a lasting gift to your community. When you make this gift through your community foundation, we establish a special fund that benefits the community forever and becomes your personal legacy of giving.

How it works

- You include the community foundation in your will as a bequest; we can help you or your attorney with recommended language.
- You determine the type of fund you would like to establish with your gift.
- Upon your death, we set up a special fund in your name, in the name of your family, or in honor of any person or organization you choose.
- Your charitable gift is excluded from your assets for estate tax purposes.
- Our professional program staff considers your charitable wishes and determines the areas of community need that would be most impacted by grants from your gift.
- Our board issues grants in the name of the fund you establish (if you prefer, grants can be made anonymously).
- We handle all the administrative details.
- Your gift can be placed into an endowment that is invested over time. Earnings from your fund are used to make grants addressing community needs. Your gift — and all future earnings from your gift — is a permanent source of community capital, helping to do good work forever.

The gift of a lifetime

Irene Hoover and her husband owned a bakery and enjoyed a great deal of success and prominence in their hometown. After her husband passed away two years ago, Irene decided it was time for her to update her will. Part of her plan was to give something back to the community the Hoovers had loved as both residents and business owners. “Not only did Jim and I love our town, but we felt as though we owed it a lot for the success of our business,” says Irene. With the help of her professional advisor, Irene revised her will to include an inheritance for the Hoovers’ college-age niece, with the remainder creating the Hoover Bakery Fund, a Field of Interest Fund designed to support community development efforts. Because it will be endowed, her gift will provide a growing source of community funding for festivals, neighborhood revitalization, publicly accessible artwork, and other community improvements. “I like knowing that when I’m gone, our legacy will be one of helping others strengthen our community,” says Irene.



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More benefits

Making a bequest to your community foundation is an easy way to transfer assets to charity. And, you can decide to do it at any age by adding to an existing will or drafting a new one. In doing so you leave a legacy to your community, while enjoying the assets you need to maintain your current lifestyle. Plus, you are able to distribute some or all of your assets, tax free.

You can give cash, appreciated stocks, or other assets. Some of the most tax-efficient asset types to give through your will come from retirement plan accounts, since heirs would be taxed on the income in respect of the decedent (IRD). You can choose to give a stated dollar amount, a specific property, a percentage of your estate, the remainder after distributions to other beneficiaries, or you can make your gift contingent on certain events.

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Community as your beneficiary

Gift of Life Insurance



Life insurance provides a simple way for you to give a significant gift to charity, with tax benefits that you can enjoy during your lifetime.

How it works

- You make your local community foundation the owner and irrevocable beneficiary of your life insurance policy — you can either give a paid-up policy or continue to pay premiums.
- You receive a tax deduction for the approximate cost or fair market value, whichever is less. If the policy is paid up, you may receive an immediate tax deduction. If it is not, you can claim continuing tax deductions on premium payments you make directly or through gifts to the community foundation.
- Upon your death, we set up a special fund in your name, in the name of your family, or in honor of any person or organization you choose.
- Our professional program staff considers your charitable wishes and determines the community needs that would be most impacted by grants from your gift.
- Our board issues grants in the name of the fund you establish (if you prefer, your awards can be made anonymously).
- We handle all the administrative details.
- Your gift can be placed into an endowment that is invested over time. Earnings from your fund are used to make grants addressing community needs. Your gift — and all future earnings from your gift — is a permanent source of community capital, helping to do good work forever.

A gift that pays

When his two daughters were young, Zachary Ding bought a life insurance policy to provide for his family in the event of his death. Now, he's 65, and things have changed. "My daughters are both grown and doing very well for themselves, and over the years, my wife and I have become fairly comfortable — she will no longer need the death benefit from my policy," says Zachary. The Dings support and volunteer for a youth mentoring program as well as their local museum. "We've always planned to leave something for important community organizations when we pass," says Zachary. After talking with their financial planner, Zachary decided to give his life insurance policy to his local community foundation. "After giving my policy, I received a significant tax deduction," says Zachary. "We had owned the policy for so long that we could choose to stop paying the premiums and maintain a sizable death benefit." The Ding Fund will be established with the proceeds from the insurance policy to benefit youth development and other community organizations.



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More benefits

Giving life insurance through your community foundation is one of the simplest ways to make a significant contribution to your community and establish your legacy of giving. You can make a gift when life insurance is no longer needed for personal financial wealth replacement. You may receive a number of tax benefits, including reduced income taxes and estate taxes. And, if you choose to continue paying premiums through your community foundation, you will be entitled to a charitable contribution deduction of up to 50 percent of your adjusted gross income.

You can replace the dollar value of an asset transferred to your community foundation with a life insurance policy. Or you can use regular payments from a Charitable Gift Annuity or Charitable Remainder Trust to establish an irrevocable life insurance trust. The trust can purchase insurance on your life to benefit your heirs. This way, you can make a gift to your community foundation and replace the value of this gift within your estate with life insurance proceeds.

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OVERVIEW

About our community foundation

Helping donors do
good work... **forever.**



The Four County Community Foundation is a nonprofit, community corporation created by and for the people of the Four County Area. We are here to help our donors make a positive impact on their community.

Three special features of community foundations

One: personalized service. We make giving easy and effective, accepting a wide variety of gifts and providing donors a number of charitable options. You can contribute cash, stocks, property, and bequests. You may establish a fund in your name or in the name of a loved one. In most cases, your gift qualifies for maximum tax advantage under federal law.

Two: local expertise. Our professional staff has an in-depth understanding of the issues, opportunities, and resources that shape our community. They monitor all areas of community need — including human services, education, the environment, healthcare, the arts, and economic development. We can help you learn more about local organizations and programs that make a difference in areas you care about most.

Three: community leadership. We invest in the long term and bring people and organizations together, convening diverse voices to address local issues and opportunities. Our business is building community.

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Is giving through a community foundation right for your clients?

Seven questions
for estate and
financial advisors.

1. Do I have clients who care deeply about their local community?
2. Do they give to more than one charitable cause?
3. Are they interested in creating a personal or family legacy in their community?
4. Are they considering the creation of a private foundation, but concerned about cost and administrative complexity?
5. Would they like to stay personally involved in the use of their gift dollars?
6. Do they want to receive maximum tax benefit for their charitable contributions under federal law?
7. Do they place a priority on sound financial management of their contributions?

If you answered *yes* to any of these questions, your clients would benefit from knowing more about their local community foundation. We'd be happy to help you make an introduction.



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ADVISOR TOOLS

Listening for charitable opportunities

Helping your clients achieve their **charitable goals**.



Philanthropy is a very personal decision. A professional advisor can help clients realize their charitable objectives by listening for charitable giving opportunities, explaining options, and suggesting solutions. Significant giving opportunities often arise when clients are making major business, personal, and financial decisions. Our staff can work with you and your client to recommend the best charitable solution. Following are some typical scenarios:

Year-end tax planning. Your client just earned a large bonus and wants to give a portion back to the community, but has no time to decide on the most deserving charities. Recommend establishing a Donor Advised Fund through their community foundation for an immediate tax deduction, and the ability to stay involved in recommending uses for the gift for years to come.

Preserving an estate. Estate planning identifies significant taxes going to the IRS, but your client wants to direct dollars for local benefit. The community foundation can work with you and your client to reduce his/her taxable estate through a charitable bequest or other planned gift. Your client's gift will create a legacy of caring in the community that stays true to his/her charitable intent forever.

(CONTINUED ON REVERSE)

Planning charitable giving

Many clients want their professional advisors to help them plan charitable giving. Your community foundation can work with you to answer these questions and help each client fulfill his/her charitable goals.

- What are your client's personal motivations for charitable giving?
- What are your client's charitable interests in the community?
- What are your client's priorities when focusing on a few areas may make the greatest impact?
- What level of involvement does your client want to have in identifying charitable uses for his/her gift?
- What type of giving instrument best fits your client's financial situation and tax status?



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