

Ten Ways to Create a Fund or Contribute to an Existing Fund

Gifts of Cash

Perhaps you've just sold a home or business, received an inheritance or cashed in some stock options-or maybe you've simply accumulated savings. Whatever the source, gifts of cash that are made on a regular basis are a great way to build up the principal of a fund.

Appreciated Securities

When the appreciated value of stock that you own is so great that capital gains tax would claim a substantial portion of the value if it were sold, the solution may be to give securities to the Community Foundation with all proceeds going into the fund you have established. When sold, the value of the tax deduction you receive could largely offset the net return after taxes, as gifts of stock to the Community Foundation often offer the greatest tax advantage.

Transfer of an Existing Foundation

Sometimes, a family may have created a private foundation, or established a donor-advised fund with a commercial investor such as Fidelity. For various reasons- local support and control, ease of use, lower cost, avoidance of restrictions- you may wish to direct these assets into a fund with the Community Foundation instead.

Life Insurance

Both new and older life insurance policies can be used as a charitable gift. If you own an older policy that is no longer needed, you can assign it to the Foundation to cash in, and use the proceeds to create or increase a fund that supports your charitable interests. Or, you may continue to pay premiums which will now be tax-deductible, and the entire face value of the policy will someday be available to create or add to a charitable fund.

Transfer Stock in a Company

If you are the owner, or part-owner of a closely held business, you can transfer a tax-deductible block of stock to the Community Foundation of Washington County in order to increase or establish a charitable fund. You can also realize substantial savings when selling the entire business by donating your shares to us. We will re-sell the shares (to others in your family, for example), absent any capital gains tax.

Real Estate

The Foundation can liquidate real estate and other properties that you give us, and then use the proceeds to establish or increase a charitable fund. For real estate gifts, you receive a charitable tax deduction equal to the fair market value of the property, and pay no capital gains. The deduction may be carried forward for up to five years.

Retirement Plans

Many individuals do not realize how heavily taxed IRAs and 401(k) plans may be upon their deaths. If you are able to do so, contributing these types of retirement plans to the Foundation, either via your will or during your lifetime, can significantly lower your estate tax while preserving

these precious assets for charity.

Tangible Assets

You can give tangible assets to the Community Foundation of Washington County to sell, and then use the proceeds to create or increase an existing charitable fund. For most items-books, antiques, stamps, famous signatures, artwork, and furniture-your tax deduction will be limited to what you paid for them, but the net amount realized from their sale will still benefit your charitable interests.

Testamentary Gifts

Providing for your family and giving back to the community in which you live and work can both be accomplished through gifts left in your will. There are several ways to accomplish these goals. You can designate a specific number of dollars or property to be directed to the Community Foundation to increase or establish a fund that supports your charitable interests. Or, you can leave to the Foundation whatever portion of your estate may remain after all other gifts and expenses have been paid. Finally, you can make a contingent bequest that provides for a distribution to the Community Foundation only if one or more of the named beneficiaries fail to survive you.

Charitable Gift Annuities

A charitable gift annuity contract that you form with the Community Foundation of Washington County lets you make a tax-deductible charitable gift, and secure a stream of income (partially tax-free) for life. The payment is usually fixed and can involve a second annuitant. Upon the death of all donor(s), the remaining principal is used by the Foundation to add to or create a charitable fund.

<http://www.cfwcmd.org/index.cfm?fuseaction=74>

The following relevant financial information is available upon request:

Names of our Investment Committee Members
Names of our Investment Managers
Investment and Administrative Fees

Looking forward...giving back

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