



# Foundation FOCUS

Fall 2009

INVERNESS VILLAGE ... supported by Asbury Foundation

## Your Guide to Giving Before Year-End

*The past year has been one of tremendous challenge. Economic conditions have made it necessary for most of us to make careful choices about how to spend, save and give our resources. That is why we especially appreciate those who have chosen to continue their support to Asbury Foundation. Now more than ever, you may find that time spent determining the most sensible ways to give can help you stretch your charitable dollars. By selecting the best asset and giving in the most effective ways, you may discover that you are able to make gifts you did not think possible.*



### Enjoy tax savings

When you make a charitable gift, you may want to structure the amount and timing of your gift to get the best tax savings that remain available this year.

With proposed changes in Federal tax laws, giving this year may present your best opportunity for tax savings. The higher your tax rate, the more your gifts will save you. If you are subject to the alternative minimum tax (AMT), you may be surprised to learn that charitable deductions serve to reduce the amount of both the regular income tax and the AMT.

Remember that only gifts made by December 31, 2009 can help reduce the amount of taxes you owe next April.

**Plan Carefully for the Biggest Impact**  
*Giving before year-end packs a double punch. First, you will be supporting the works and dreams of your charity of choice. Second, tax incentives may enable you to do more than you realized possible, even improving your own financial position in the process. The availability of the income tax deduction helps a charitable person be even more charitable.*

### The Benefits Possible With Year-End Giving

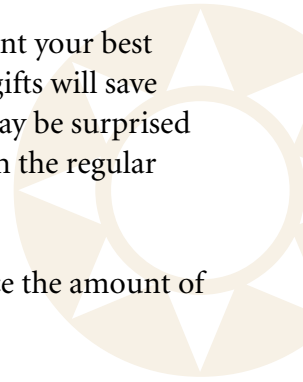
- Save on this year's income tax
- Save on capital gains tax
- Save on future estate tax
- Increase your support for charity

### How It Works

If you itemize deductions, a gift is deductible in the year you make it. Generally, the effect of the deduction is that the higher your income tax bracket, the more you will save in taxes. Many states also allow an income tax deduction for charitable gifts, so

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*“Do all the good you can,  
By all the means you can,  
In all the ways you can,  
In all the places you can,  
At all the times you can,  
To all the people you can,  
As long as ever you can.”*  
—John Wesley



the total tax savings are higher than those generated by the federal income tax deduction alone. If you took the standard deduction in past years, giving more may increase your deductions above the standard. This qualifies you for a greater tax benefit.

### capital gain

the increase in value of an asset such as stock or real estate since the original purchase



### Example

A person who pays taxes at a 28 percent marginal federal income tax rate makes a gift of \$1,000 this year. It is as if that person has actually spent only \$720. The \$280 difference is the tax that the donor would have paid if no gift had been made.

### Ways You Can Give

**Gifts of Cash:** Nothing is as simple and direct as giving cash. You can make an unrestricted donation, and we will use the gift to meet our greatest current need. Or you may designate a gift for a specific purpose. A gift of cash may be deductible up to 50 percent of your adjusted gross income, and gifts in excess of 50 percent may be carried over as deductions into the next five years.

**Gifts from Retirement Plans:** Retirement Plan assets can be a practical source from which to make gifts. Unlike many other types of investment accounts, amounts withdrawn from retirement accounts are taxable to you and, eventually, to your heirs. If you are over 70 1/2 and have an IRA and your IRA gifts total \$100,000 or more, you may want to consider donating directly from these funds. Amounts given in this way for charitable purposes are not taxed as income to you and are a way to make completely tax-free gifts. Those over 59 1/2 may be able to accomplish a similar result by combining a gift with a withdrawal. Some retirement

plan options may be available only for gifts completed in 2009. Be sure to check with your financial advisor for the latest opportunities that apply to your situation.

**Gifts of Securities:** Stocks or other investments that have grown in value and that you have owned longer than one year can become a substantial gift with a low net cost to you.

You receive a charitable deduction for the donation, which is based on the stocks' fair market value on the date of the gift. And, there is a bonus—you avoid all federal capital gains tax that would otherwise be owed on a sale of the assets.

**Gifts of Real Estate:** Perhaps your first thought is that you do not own property near our location. The fact is, almost any real estate—developed or undeveloped—is potentially a charitable gift. If you have owned your home or other real estate for a long time, it likely has significantly increased in value. Donate the property outright, place it in trust, or retain the use of it for life. All of these methods will enable you to enjoy financial benefits while supporting our work.

**Gift through your Will or Living Trust:** With changes in estate taxes in recent years, you may find that you are able to leave more to loved ones free of tax. This will also make it possible to give more for charitable purposes, both now and as part of your long-range plans. After providing for loved ones, you can include a charitable gift of a specific amount, a percentage of your estate, a certain property, or “what’s left”.

**Gifts of Life Insurance:** If you own life insurance policies with accumulated cash value that are no longer needed for their original purpose, the value of such policies may be used to make a gift that can provide welcome income tax savings today and may also result in significant estate tax savings in the future.

### fair market value

the price that a willing buyer and a willing seller can agree on

## Effectively Timing Your Gift

If you are issuing a check to a charitable organization, the effective date of your contribution is the date it is hand-delivered or post-marked. Stock that is held in electronic form can be transferred through your broker to an account in the charitable organization's name. The value and date of the gift are determined by the date of the transfer, which is generally the date the securities are received in our account. The actual date of a gift of real estate is the date you deliver the signed deed.

## Act Today

As you can see, you can make meaningful and cost-effective charitable gifts by carefully planning their timing and the assets used to fund them. Asbury Foundation will be pleased to help you plan and implement a year-end charitable gift that takes

advantage of valuable tax benefits and reflects your generous spirit. Please feel free to call us for more information.



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*Director of Development*

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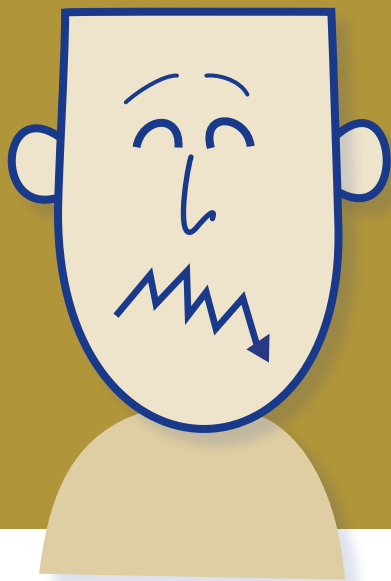
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The information in this publication is not intended as legal advice. For legal advice, please consult an attorney. Figures cited in examples are for hypothetical purposes only and are subject to change. References to estate and income tax include federal taxes only. Individual state taxes and/or state law may impact your results.

## Interest Rates Got You Down?



There has never been a better time than now to talk about charitable gift annuities. Many of our friends have found that charitable gift annuities are a great way to increase their income and help Asbury at the same time.

Curious? Try out our **Web Gift Calculator** by visiting our website at [www.TheAsburyFoundation.org](http://www.TheAsburyFoundation.org) and clicking on "Planned Giving" in the left hand menu.



## **Inverness Village**

3800 West 71st Street

Tulsa, OK 74132

[www.InvernessVillage.com](http://www.InvernessVillage.com)

*Discover the tax benefits  
of year-end giving*

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## Mark Your Calendars!

**November 9, 2009**  
**Heritage Society  
Kickoff Dinner**



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