IMSA Fund for Advancement of Education
Planned Giving

A planned gift is a charitable contribution that takes into account the donor's personal tax, financial and estate circumstances and goals. It can be made during the donor's life or after their death. Planned giving can allow for a donor to make a gift to the IMSA Fund for Advancement of education while also maximizing benefits to both the donor and the Academy. Tax savings are not the reason friends support our endeavors, of course, but they do enable supporters to do more than they might have thought possible.

Our Advancement Office exists to serve you and your advisers as you consider your support for IMSA. If you are interested in discussing planned giving options, please contact the IMSA's Development Office at (630) 907-5040 or giving@imsa.edu.

Investment Assets

People often are surprised to learn that there are different tax results from giving different types of property. Gifts of highly appreciated securities, for example, may be particularly favorable. If stocks have been owned more than one year, then donors can deduct not just their original cost, but also any "paper profit" present in the gift. Best of all, there are no capital gains taxes due when you give securities. Mutual funds and other types of investments offer the same advantages. Call us before you sell profitable stocks.

Real Estate

The tax benefits available for gifts of highly appreciated real estate are virtually identical to those for gifts of securities that have gone up in value. First, you avoid capital gains tax on your profit. Second, you receive an income tax charitable deduction for the full fair market value of the property you contribute. Friends who own personal residences, including condos and vacation homes, can make gifts of their property but continue to use the property for the rest of their lives. The same opportunities works with farms and ranches. The advantage of a lifetime gift, reserving lifetime use, is that you receive an income tax charitable deduction, in addition to estate tax savings. Call us before you sell investment real estate, vacation property or farm land.

Collectibles

Some of our friends find they have "hidden assets" that can help them in satisfying their philanthropic goals. Antiques, artwork and other "collectibles" even patents and copyrights can be valuable assets for giving. In many cases, the same favorable tax rules apply to these gifts that apply to securities and real estate. The tax deduction on such gifts is dependent on the ability of IMSA's usage of the property toward the furtherance of its mission. Please check with us on the feasibility and tax results of gifts of unusual items. Call us before you sell collectibles at a profit.

Business Interests

Many our friends own stock in their own businesses that can be given at extremely low cost, providing personal deductions that are "paid for" by the company. Call us before you sell your business, sell replacement stock from an employee stock ownership plan (ESOP) or plan for passing your business to the next generation.

Gifts That Pay You Income

"I will give away my apple tree, so long as I (or someone I choose) can keep the fruit the tree produces, every year, for life." That's the very simple concept behind a special category of gifts known variously as "deferred" gifts or "life income" gifts. These gifts enable you to make a gift of significance, receive a partial tax deduction and yet keep an income for life for you or others. The income can be fixed or variable. Call us before you sell and reinvest securities or real estate, or "roll over" low-yield certificates of deposit. We can help you plan a life income gift that is right for you, your family and our organization.

Gifts from Estate Plans
The most practical way to make significant gifts may be through your estate plan, by means of a will, living trust or beneficiary designation on a life insurance policy or retirement account. Such gifts are wholly revocable while you are alive and may save significant taxes for your estate.

Wills and Living Trusts
A bequest is the most traditional way to provide significant help for worthwhile causes. With a gift through your will or living trust, you keep full use of your gift assets during your life. You can structure a bequest in ways that will be both personally satisfying and tax advantageous. Charitable bequests take many forms:

- Outright (specific) bequest - This is a gift of a particular amount of money or item of property (for example: "I bequeath $25,000.").
- Residuary bequest - The residue of an estate is the amount remaining after all specific bequests have been distributed; the exact amount will not be known until the final accounting is completed. The residue may pass as a percentage bequest (e.g., "I give one-third of the residue of my estate.").
- Contingent bequests -You can name a secondary beneficiary to receive property in the event the primary beneficiary is not alive (for example: "I bequeath $10,000 to my father, but if he has predeceased me, I direct the $10,000 be paid to.").

Financial Accounts
Most accounts at financial institutions can be made payable on death to a person or a charitable organization. Ask the manager of the institution how you can arrange to designate a death beneficiary for your CD, savings account, share accounts, etc. In some areas, this is accomplished through a "P.O.D." (payable on death) designation. Securities in a brokerage account can be left through a "T.O.D." (transfer on death) designation.

Retirement Accounts
Your estate can save both income taxes and estate taxes if you make a charitable organization beneficiary of part or all of your IRA or other retirement account. Family members might keep only 30 cents on the dollar, after taxes, from these assets. Recent changes in IRS regulations have made it simpler and more favorable to name worthwhile causes as beneficiaries of IRAs and other retirement accounts.

Life Insurance
You can name the IMSA Fund as the beneficiary of a life insurance policy (or a percentage of the proceeds) by contacting the company for appropriate forms. A better idea may be to transfer actual ownership of the policy to us (assuming it is a "surplus" policy that is no longer needed for family security). Your gift will entitle you to an income tax deduction, and any future premium payments will be tax deductible.

Charitable Lead Trust
To continue the agricultural comparison, you can "keep the tree but give the fruit." It's possible to contribute merely the income from securities or other property temporarily and enjoy substantial income tax or gift and estate tax benefits. We're talking about an exciting technique called the "charitable lead trust." Alternatively, you can lend cash (up to $250,000) and remove the annual interest from your tax bracket. This technique can be especially helpful to friends who need large charitable deductions in a year of exceptionally high income, or face heavy federal estate taxes.

Thank you for your interest in planned giving for the IMSA Fund for Advancement of Education. Please call Paul Milano, Executive Director of Development, at (630) 907-5989 if you have any additional questions.