PLANNED GIVING OPPORTUNITIES

YWCA is always appreciative of any gift of any size. We also recognize that while your philanthropy is of great benefit to us, it should also be financially beneficial to you. Through proper planning, you can make gifts to YWCA that will benefit you in a variety of ways, such as generating an income stream, providing income tax deductions, reducing capital gains taxes, and reducing or eliminating estate taxes. Everyone's financial situation and goals are different and you should consult with a tax advisor for advice specific to your own situation. However, the following chart may help get you started thinking about what methods of giving meet your goals and provide the benefits you seek. Each method is discussed further in the following pages.

GOAL	METHOD	TAX/FINANCIAL BENEFIT
Support YWCA immediately Receive charitable income tax deduction	Gift of cash or tangible personal property	Deduct up to 100% of the gift for federal income tax purposes, subject to adjusted gross income limitations
Support YWCA immediately without making cash outlay Avoid capital gains tax	Gift of appreciated stock	Avoid capital gains tax on appreciation of the stock
Minimize taxes on your closely-held business stock	Gift of closely-held business stock	Receive federal income tax deduction and avoid capital gains tax
Contribute to YWCA in the future without reducing your current assets	Charitable bequest	Retain control and flexibility over your assets during your lifetime while reducing estate taxes
Avoid potential tax liability on payout of retirement assets	Name YWCA as beneficiary of your retirement assets	Avoid taxes on retirement plan assets
Contribute to YWCA in the future without reducing your current assets Put life insurance policies to charitable use when no longer needed for its original purpose	Name YWCA as the beneficiary of your life insurance policy Transfer ownership of the policy to YWCA	Receive income tax deduction upon irrevocable transfer of life insurance policy to YWCA Use tax savings and income received from a charitable gift (such as a charitable remainder trust) to pay insurance premiums
Make a gift to YWCA while retaining fixed income for yourself	Charitable remainder annuity trust	Receive fixed income amount, take an immediate income tax deduction, avoid capital gains tax
Make a gift to YWCA while retaining variable income for yourself	Charitable remainder unitrust	Receive variable income amount, take an immediate income tax deduction, avoid capital gains tax
Make immediate gift of income to YWCA and distribute remainder of assets to heirs	Charitable lead trust	Freeze value of assets contributed to the trust for gift and estate tax purposes and avoid estate tax on future appreciation

CASH, CREDIT CARD, CHECK

Making the gift

A cash gift is the quickest and easiest way to make a gift to YWCA. Simply make your gift to YWCA by a cash, check or credit card payment, delivered to:

YWCA
155 W. Westwood Avenue
High Point, NC 27262

Additionally, some employers will match gifts. Consult your employer to determine whether you can increase your giving by such a match. If so, please include their matching gift form with your payment. Cash gifts which are postmarked by December 31 are deductible for that tax year, regardless of whether YWCA receives the funds in December or January.

Benefits from this method of giving

- You will receive a federal income tax deduction, and in return, YWCA can immediately use your gift for our programs.
- If you itemize, you are entitled to a charitable income tax deduction. Gifts of cash are typically fully deductible up to a maximum of 60 percent of your adjusted gross income for the year of your gift. Please note that if all deductible gifts in a year exceed the 60 percent limit, you may still carry the excess amount over as a deduction for up to five subsequent years, subject to the same adjusted gross income limitation.
- Cash gifts to YWCA are not subject to gift or estate tax.

GIFT OF TANGIBLE PERSONAL PROPERTY

Making the Gift

YWCA is happy to accept many different kinds of gifts of tangible personal property, such as clothing, jewelry, and equipment. However, before you make the gift, please consider whether YWCA can or is willing to put the property to a related use (as further described below), since that will have a direct impact on the tax benefits that may be available to you. Additionally, the appraised value of the tangible gift must be determined and documented. The Internal Revenue Code provides specific guidelines for appraising and reporting, which must be followed to obtain a charitable income tax deduction. An Appraisal Summary form (IRS Form 8283) must be completed by a qualified independent appraiser, signed by YWCA, and included with your income tax return.

Outright Gift
For an outright gift of tangible personal property, the charitable income tax deduction you receive will depend on what YWCA does with the property. If you are interested in having YWCA display or keep the property, then we must have a specific use for the item which is related to our tax-exempt status. If the related use rule applies, then you are eligible for a charitable income tax deduction equal to the full appraised value of the item.

If the donated property is not directly related to our tax-exempt purpose, you will likely not receive an income tax deduction for the full appraised value. YWCA will still gladly accept your contribution, but understand that the item may be sold. In that case, your charitable income tax deduction would be equal to the cost basis of the property. Additionally, please note that if you contribute gifts of personal property in excess of a cumulative value of $5,000 in one year, federal tax law requires you to submit a qualified independent appraisal and the appraiser's credentials in order to receive an income tax deduction.

Charitable Bequests
If you include a charitable bequest of tangible personal property in your will, the value of your taxable estate is reduced by an amount equal to the appraised value of that property. Please let us know in advance about your bequest of tangible personal property. Also, if you wish to place any limitations on our use of the property, please provide us with some degree of flexibility regarding how the property can be used or disposed.

Benefits from this method of giving

- Divest yourself of valuable items that may be expensive to insure
- Avoid capital gains taxes on highly appreciated tangible personal property
- Provide YWCA with items that are unique or with significant aesthetic or other value

GIFT OF APPRECIATED STOCK

Making the gift

First, consult with your financial advisors. The securities you use to make your gift must have been held by you for more than one year to be fully deductible. When you have decided to make the gift, please advise YWCA that the gift is coming, then follow these instructions:

Securities held by your broker

Simply call your financial advisors and let them know that you would like to make a gift of stock to YWCA. More than likely your broker will require your signature prior to effecting the gift. Your broker will need to contact YWCA at (336) 882-4126 to obtain further information to complete the transfer. Please also have the broker contact (preferred broker, if any) at (336) ___________________ prior to submitting the transfer. Please note that the date of the gift is the date the stock is received into our account.

Certificates held by you

If you hold the actual stock certificates, please call (preferred broker, if any) at (336) _________________ and they will walk you through the easiest way to transfer your stock to YWCA. Please do not sign the stock certificate or complete the assignment of stock area.

Benefits from this method of giving

- If you itemize, you are entitled to a charitable income tax deduction. Gifts of appreciated stock are fully deductible up to a maximum of 30 percent of your adjusted gross income for the year of your gift. Please note that if all deductible gifts in a year exceed the 30 percent limit, you may still carry the excess amount over as a deduction for up to five subsequent years.

- You avoid long-term capital gains on the donation of appreciated stock, thereby maximizing the amount of your gift up to the appreciated stock value, while minimizing your tax liability on that appreciation.

- Such a donation reflects a wise choice in the kind of assets you choose to give, while allowing YWCA the benefit of using the stock in the best manner that meets our financial goals and supports our programs.

GIFT OF CLOSELY HELD STOCK

Making the gift

As a majority shareholder in a closely held corporation, you may decide to gift some of your shares of the closely held stock to YWCA, although not so much to reduce your ownership to 50 percent or less in the corporation. YWCA may then present the stock to the corporation for redemption, which could be paid from the corporation's retained earnings. This gift provides you with an income tax deduction in an amount equal to the fair market value of your stock, while generating cash for YWCA upon the corporation's repurchase of the stock.

Please note, however, that the Internal Revenue Service has ruled that you cannot legally bind a charitable organization to go forward with the redemption once it receives the shares. The charitable organization may independently offer the donated stock for redemption. Additionally, there cannot be a prearranged contract or agreement for the corporation to buy the stock.

Prior to making the gift, please be sure there are no restrictions on the transfer of your stock and that it is debt-free. You will also want to secure a qualified appraisal of your business and its stock. Please let us know of your intent to make a gift of closely held stock, so that we can evaluate it to ensure that we can accept the stock according to our guidelines.

Benefits from this method of giving

- You qualify for an income tax deduction based upon the fair-market value of the stock, provided you have held the stock for over a year.

- You avoid capital gains tax on any appreciation in the stock's value.

- You maintain a controlling position in the corporation's outstanding stock.

CHARITABLE BEQUEST

Making the gift

If you would like to reduce the size of your estate for estate tax purposes, or if your lifestyle simply does not allow you to reduce the cash or other assets available to you during your life, then making a charitable bequest can be the perfect solution. Simply include a specific bequest in your will or revocable trust of a certain dollar amount or percentage to be distributed to YWCA upon your death. During your lifetime, you can change the bequest as your financial situation, goals or needs change. Once you pass away, that designated amount or percentage is distributed to YWCA.

Additionally, if you own certain real or tangible personal property that may be of interest or use to YWCA which you would like YWCA to have after you have passed away, you can specifically designate in your will or revocable trust that YWCA receive that property upon your death.

Consult an attorney to create your will or revocable trust. If you already have a will or revocable trust, then let your attorney know so that he or she can revise your documents or create a codicil to your will or amendment to your trust.

Benefits from this method of giving

- This method allows for great flexibility, since you can either designate a specific item, amount or percentage of your estate to go to YWCA, which bequest you may change at any time.

- You have full use and control of the assets that will ultimately fund the bequest without having to reduce the assets currently available to you or change your lifestyle.

- A charitable bequest is entitled to the estate tax charitable deduction.

- With a charitable bequest, you know that you are providing support for the future of YWCA and all those who will benefit from the programs we offer.

LIFE INSURANCE

Making the gift

Many people own life insurance policies, but sometimes those policies are no longer needed for their initial purposes of providing for family or other heirs. To make a gift of the life insurance proceeds, simply obtain a beneficiary designation form from the life insurance company and designate YWCA a beneficiary. As owner, you will retain the ability to make further changes to the beneficiary designation if your needs change, and you will continue to be able to access the policy's cash value. Although the face value of the policy will be included in your gross estate, no federal estate tax liability will result from its inclusion because of the charitable deduction.

Alternatively, to make an irrevocable transfer of the life insurance policy itself, and therefore receive an immediate tax benefit, you must name YWCA as both the owner and beneficiary. If you make such a transfer, you are allowed an immediate federal income tax charitable deduction for the lesser of the policy's fair market value or the net premiums paid, which deduction you may claim in the year of the transfer.

Benefits from this method of giving

- You have the flexibility of designating a specific amount or percentage of your life insurance proceeds to go to YWCA, which bequest you may change at any time.

- You can repurpose a life insurance policy to be used to benefit the programs of YWCA when the original purpose for the policy has ended.

- Upon making an irrevocable transfer of the policy to YWCA, you can receive an immediate federal income tax charitable deduction for the lesser of the policy's fair market value or the net premiums paid.

Using Life Insurance to Enable Other Charitable Giving

You may be concerned or hesitant to make charitable gifts because you want to ensure that you have provided for your heirs. If so, you can alleviate those concerns by replacing the value of charitable gifts that you make during your lifetime by making life insurance proceeds payable to your beneficiaries. Additionally, the tax savings and income received from a charitable gift (such as a charitable remainder trust) may be used to pay the premium on an insurance policy that benefits your heirs. With the right circumstances, the proceeds from the life insurance policy may be of the same value as the assets you were originally going to distribute to your heirs, thereby doubling your giving while reducing your tax liability. Your financial and legal advisors can help you to structure such a wealth replacement strategy that best fits your situation.

GIFTS OF RETIREMENT FUNDS

Making the gift

Making a gift of your retirement funds can provide estate and income tax benefits upon your death. Since YWCA receives the distribution, neither you nor your estate will owe income taxes on the amount. While the amount will be included in your taxable estate, your estate will receive a deduction for the amount given to YWCA, resulting in an offset of the estate taxes that may be due for your estate. Additionally, since charities do not pay income taxes on the donations they receive, the distribution will avoid being taxed as income.

The designation of funds can be made by simply updating your beneficiary designation to include YWCA by using a form obtained from your plan administrator or financial institution. If you decide to designate YWCA as the beneficiary of your retirement account, please first do the following:

- Check with the plan administrator or financial institution to determine if there are any restrictions on designating charities as beneficiaries for retirement accounts.

- If you are married, check with your plan administrator or financial institution to determine whether or not your spouse must consent to the designation. If consent is required, failure to obtain your spouse's consent could result in a disqualification of the beneficiary designation.

- Ensure that your plan administrator or financial institution confirms receipt of your updated beneficiary designation.

Please note that if YWCA is one of multiple beneficiaries for your retirement account, inclusion of YWCA may reduce the options available to the other beneficiaries to stretch receipt of funds from your retirement account to relieve the impact on their respective income tax liability. This problem can be avoided by establishing separate retirement accounts for each beneficiary.

Benefits from this method of giving

- Making this designation is as easy as changing your beneficiary form.

- This method allows for great flexibility, since you can either designate an amount or percentage of your retirement funds, which designation you may change at any time.

- Federal income tax is not owed on the portion of the funds that is distributed to YWCA.

- Your estate will receive a deduction for the amount inherited by YWCA, resulting in an offset of the estate taxes that may be due for your estate.

CHARITABLE REMAINDER ANNUITY TRUST

Making the gift

A charitable remainder annuity trust creates an immediate income stream to you or to other beneficiaries of your choosing, while providing for a substantial gift to YWCA in the future. First, consult your attorney to create a trust agreement detailing the terms of the trust. Once the trust is established, you contribute a substantial gift in the form of cash, equity, liquid assets, appreciated stock, bonds or real property to the trust, which the trustee will invest and manage. Throughout the duration of the trust, the trustee will distribute income to the beneficiaries, which can be paid annually or more frequently. This income amount must equal at least five percent of the initial fair market value of the trust and is fixed throughout the life of the trust. Once the final beneficiary dies, or when the term of years designated in the trust expires (up to 20 years), the remaining trust assets are distributed to YWCA.

Charitable remainder annuity trusts provide a significant tax shelter for any assets and property placed within it, allowing any assets placed into the trust to increase in value without being taxed on the increase. This may be your preferred option if you are seeking a fixed income stream. Structured properly, a charitable remainder annuity trust can provide financial security for its beneficiaries and YWCA.

Benefits from this method of giving

- A charitable remainder annuity trust provides a fixed income stream to you or to the beneficiaries of your choosing.

- You will receive a federal income tax deduction for the charitable remainder value of your gift. Generally, lower payments and shorter terms of payments will increase your income tax deduction.

- The charitable remainder annuity trust helps to avoid capital gains tax on sales of long-term appreciated assets

- The assets transferred into the trust will reduce your estate, thereby reducing the amount of estate taxes.

- You or your beneficiaries receive the benefit of an income stream now, while YWCA receives substantial assets for our programs in the future.

CHARITABLE REMAINDER UNITRUST

Making the gift

Similar to the charitable remainder annuity trust, a charitable remainder unitrust creates an immediate income stream to you or to other beneficiaries of your choosing, while providing for a substantial gift to YWCA in the future. First, consult your attorney to create a trust agreement detailing the terms of the trust. Once the trust is established, you contribute a substantial gift in the form of cash, equity, liquid assets, appreciated stock, bonds or real property to the trust, which the trustee will invest and manage. Throughout the duration of the trust, the trustee will distribute income to the beneficiaries, which can be paid annually or more frequently. This income amount must equal at least five percent of the value of the trust as it is valued each year, meaning that the income amounts may vary from year to year (as opposed to the fixed income provided from the annuity trust). Once the final beneficiary dies, or when the term of years designated in the trust expires (up to 20 years), the remaining trust assets are distributed to YWCA.

Charitable remainder unitrusts also provide a significant tax shelter for any assets and property placed within it, allowing any assets placed into and held by the trust to increase in value without being taxed on the increase. A unitrust may be your preferred option if:

- You want the income from your gift to be able to grow over time.
- You are interested in donating real estate, a second residence or a business.
- You would like the option to add to the trust over time. (This is not an option for a charitable remainder annuity trust.)

Benefits from this method of giving

- A charitable remainder annuity trust provides an income stream to you or to the beneficiaries of your choosing, which income amount can increase over time.
- You will receive a federal income tax deduction for the charitable remainder value of your gift. Generally, lower payouts and shorter payment terms increase your income tax deduction.
- The charitable remainder unitrust helps to avoid capital gains tax on sales of long-term appreciated assets.
- The assets transferred into the trust will reduce your estate, thereby reducing the amount of estate taxes.
- You and/or your beneficiaries receive the benefit of an income stream now, while YWCA receives substantial assets for our programs in the future.

NON-GRANTOR CHARITABLE LEAD TRUST

Making the gift

A charitable lead trust enables you to make payments to YWCA for a specified term, while then transferring the remaining assets to beneficiaries at a significantly reduced tax liability. This is significant for donors who anticipate high estate and gift taxes in transferring their wealth to heirs.

First, work with your attorney to create a trust agreement detailing the terms of the trust. The length of the trust will usually be measured by a certain term of years. Once the trust is established, then transfer the assets funding the gift to the trustee who will invest and manage the assets. Throughout the duration of the trust, the trustee will distribute annual payments to YWCA, which will be either a fixed “annuity” payment or a variable “unitrust” payment. At the conclusion of the trust term, the remaining trust assets are distributed to your heirs.

The non-grantor charitable lead trust can provide a significant estate or gift tax benefit. For tax purposes, only the present value of the remainder interest (the estimated value of the trust principal at the end of the trust period) is subject to gift tax.

Benefits from this method of giving

- You can make immediate payments to YWCA, so that you can see the benefits of your gift.

- Although you will not receive an income tax deduction, you may reduce income taxes by removing a portion of your income-generating assets to the trust. Moreover, you are not taxed on any income or appreciation earned by the trust.

- The trust assets will ultimately be distributed to your children or grandchildren as an outright gift, giving them full control of the assets.