

WAYS OF GIVING

In addition to providing for the needs of Littleton Adventist Hospital and the community, donors can also enjoy benefits from the charitable income tax deductions they are entitled to as a result of their generosity. The information below provides details about the various ways donors can make significant gifts to the campaign while taking full advantage of the income and estate tax benefits allowed under the law.

Outright Gifts

Most donors who pledge support to Littleton Hospital Foundation will fulfill their commitments with annual pledge payments of cash or marketable securities. For gifts of cash or stock, donors are entitled to a charitable income tax deduction equal to the fair market value of the contribution paid within the tax year, provided they itemize deductions on their tax returns.

- **Cash:** Cash contributions qualify for a charitable tax deduction of up to 60 percent of a donor's annual adjusted gross income. Any unused portion of the deduction may be carried over for up to five years.
- **Securities:** There are distinct tax advantages to considering gifts of appreciated securities such as stocks, bonds, and mutual funds. The donor incurs no capital gains tax on appreciated securities given for charitable purposes and can claim a charitable income tax deduction of up to 30 percent of annual adjusted gross income (with a five-year carry over). The valuation of marketable securities given for charitable purposes is the mean value between the highest and lowest selling price on the date of the gift.
- **IRA Charitable Rollover:** Donors age 70 1/2 and older have a distinct opportunity to make a direct transfer of up to \$100,000 per spouse from an individual IRA to Littleton Adventist Hospital. The gift is credited against the required minimum distribution and is not considered taxable income. As such, the transfer is also not deductible for tax purposes. Please contact the Foundation to ensure the transfer is made properly and direct to the Hospital and not the Foundation.

- **Donor Advised Funds:** Personal pledges cannot be made from donor advised funds however Littleton Hospital Foundation can be the recipient of donor advised funds based on an annual request by the donor. The Foundation accepts multi-year letters of intent in lieu of a signed pledge agreement for recognition purposes.
- **Real Estate:** A gift of real estate or undivided partial interest that has appreciated in value can be an attractive option when considering a major charitable contribution. The services of a qualified real estate appraiser are required to determine the value of a contribution of real estate. As with other appreciated property gifts, the charitable deduction for a gift of real estate is based on the property's current fair market value and the donor incurs no capital gains liability.
- **Corporate Gifts:** A corporation can make and deduct charitable gifts depending on the incorporation status.
- **Matching Gifts:** Numerous companies have matching gift programs through which an employer will match a donor's charitable gift in varying amounts. Donors are urged to obtain their employer's matching gift forms and leverage their own gifts.
- **Life Insurance:** The use of life insurance policies for charitable giving is another option when planning a major contribution. A paid-up policy yields a charitable income tax deduction approximate to the policy's replacement value. If premiums remain to be paid, the value of the gift is slightly in excess of the policy's cash surrender value. If the donor continues to pay the policy premiums, a contribution deduction is allowed for premium payments. In order to qualify for the charitable deduction, the donor must relinquish all incidents of ownership in the policy and irrevocably designate Littleton Hospital Foundation as beneficiary.

Planned Giving

For those who wish to make a significant contribution to Littleton Hospital Foundation, but also want to either defer the gift or retain an income from the assets contributed, a planned gift may be considered. Charitable gift planning can also play a role in an individual's overall estate planning. There are a variety of ways in which donors may support Littleton Hospital Foundation, with the most common described below. Recognition for planned gifts are possible based on the campaign gift acceptance and recognition policies which can be discussed with the Foundation.

- **Bequests or Living Will Designations:** A donor may make a specific or contingent gift through a will or living trust.
- **Retirement Plan Beneficiary Designation:** A beneficiary designation of an IRA or 401(k) can be made.
- **Charitable Gift Annuity:** A donor may establish a charitable gift annuity which guarantees an annual payment for life based on the current age(s) of the beneficiaries.
- **Charitable Remainder Trusts:** Littleton Hospital Foundation appreciates being named as the beneficiary or co-beneficiary of a charitable remainder trust. Littleton Hospital Foundation will not serve as the trustee of the trust.
- **Remainder Interest in a Residence or Farm in Retained Life Estate:** Littleton Hospital Foundation may be named as the remainder interest in a residence or farm. The donor is able to remain in the residence for their lifetime and is able to secure an immediate tax deduction.
- **Endowment Gifts:** Gifts designated for Littleton Hospital Foundation endowment may be made to support the long-term success of the organization.
- **Endowed Funds:** An endowed fund for gifts of \$25,000 and above can be established and will be recognized as a permanently established endowed fund. Funds can be pledged over five years or made through a testamentary gift.

Before accepting gifts of questionable value, potential liability or assets difficult to sell, LHF will make the final determination as to whether to accept the gift. Littleton Hospital Foundation does not provide legal, tax or financial advice, and this information is not intended as such. We encourage you to consult your own legal and financial advisors to determine the best charitable planning approach.