

WAYS TO GIVE

Gifts of Cash

The advantage of cash gifts is that your actual out-of-pocket cost is less than the dollar amount of the gift because of the allowable income tax deduction. You can deduct up to 50 percent of your adjusted gross income in the year you make a contribution. Any excess contributions above this percentage may be deducted over a five-year period.

Actual savings from the tax deduction on your gift will vary deduction to your tax rate and other factors. Generally, the higher your tax rate the greater your savings.

Gifts of Property

Your gifts of non-cash property such as securities or real estate may provide an ideal way for you to make a contribution. These gifts may be more advantageous than outright cash gifts because you can make a larger gift at less cost.

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1. *Property That Has Increased in Value*

Property that has increased in value and has been held long enough to qualify as long-term property may be beneficial to give. This type of gift entitles you to two benefits: first, you avoid paying capital gains tax; and second, in most cases you receive a deduction for the full value for the gift.

2. *Property That Has Decreased in Value*

If you have property that has decreased in value at the time you are ready to make your gift, you should consider selling that property first and then contributing the proceeds to the ECTC Foundation. This allows you to receive the deduction for both the capital loss and the charitable gift.

Arrange Now to Make a Gift LATER

The types of gifts we've just explained are examples of contributions which can be made now. Another option, a deferred gift, will benefit the college in future years. These are investments that will make a positive difference in the future of the college.

Your Will

One way to make a deferred gift is to include specific language in your will naming the Foundation as the recipient of your planned gift. Your will can include gifts in the form of the following:

- (a) cash, securities, and personal property;
- (b) a percentage of your estate; and/or
- (c) the residue of your estate - property remaining after other bequests has been fulfilled.

Your estate is allowed *an* unlimited deduction for cash and other property that you leave to the Foundation. Please contact your tax consultant, financial planner, or attorney to help you plan the type of bequest which best suits your needs.

Gifts of Life Insurance

Please ask your life insurance agent for further details on the numerous types of insurance gifts you can make. Life insurance provides an effective way to benefit the college for several reasons:

- (a) Your gift of life insurance will provide the Foundation with a substantial deferred gift while you pay relatively modest premium payments.
- (b) This type of gift will not be delayed during the administrative process of your estate, and proceeds from the policy can be paid promptly to the Foundation.
- (c) A gift of a fully paid or partially paid insurance policy may be advantageous if your family responsibilities are no longer as substantial as they were in the past.

Retirement Savings

You may name the Foundation as beneficiary of a portion of your retirement funds. If you wish to make this type of gift, please contact the administrator of your Individual Retirement Account, profit sharing account, or other retirement plan.

Deferred Gifts

In some instances, you can designate a specified amount of money in a qualifying trust which will provide income to you (and your spouse) for life: thereafter, the principal will be paid to the Foundation upon your death or upon a specified date. These trusts, which are generally described as charitable remainder trusts, assure income while providing an immediate charitable deduction to you for the remainder of the interest which will someday be paid to the Foundation. For additional information concerning such a trust it is advised that you contact your attorney, CPA, or tax advisor.

Tax Tips

A charitable gift to the Foundation will provide you with the satisfaction of knowing that your contribution will go to work for many students. Beyond the usefulness of the gift itself, you will receive tax benefits for your donation. Your gift should be made on or before December 31st of the year in which you wish to receive the charitable income tax deduction.

Corporate Limits

A corporation is permitted to make and deduct philanthropic investments of up to 10 percent of its taxable income. As with individuals, a corporation may carry over excess charitable contributions to the next five years.

Appraisals

You must obtain an appraisal for any non-cash contribution which exceeds \$5,000. The appraisal summary section of IRS Form 8283 must be completed and attached to the income tax return on which the deduction is claimed. No appraisal is required for a gift of publicly traded securities for which market quotations are readily available on an established securities market.