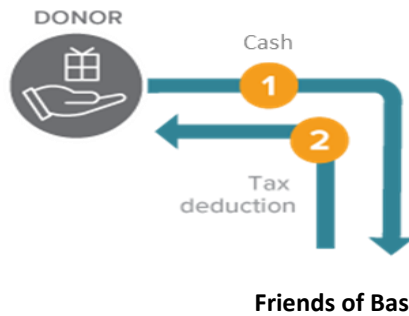


Friends of Bassett Giving Guide

Cash Gifts



How It Works

- Cash gifts are the simplest to make. You make gift of cash to the Friends of Bassett.
- Cash gifts are acceptable in any negotiable form, including currency, check, credit card, wire transfer, and direct deposit/EFT.

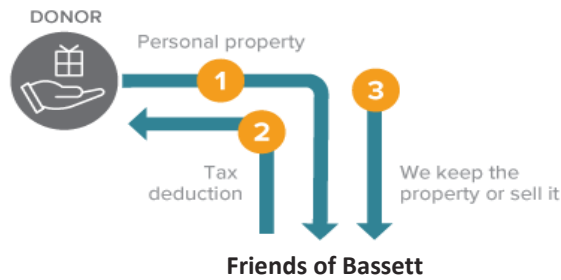
Benefits

- Cash gifts can provide the satisfaction of supporting an important cause with Friends, honoring a medical professional, or another person. These gifts are especially important to the Friends of Bassett and its mission.
- Donors who make cash gifts are generally provided an itemized income tax deduction of up to 50% of their adjusted gross income annually (any excess is carried forward for five additional years).
- The date of the gift (IRS purposes) for gifts made by check is the date the check is mailed (postmarked) or hand-delivered to the Friends, such gifts are recorded with the gift date equal to the date the Friends deposits the check.
- Credit card gifts are dated on the date the gift is processed through the account.
- Gift of cash pledges are also acknowledged and deductible as the pledges are paid. Different tax rules apply to non-cash gifts.
- The IRS requires that if the donor received a benefit in exchange for the gift, the amount of the gift/deduction is reduced by the value of the benefit (Quid Pro Quo).
- Friends of Bassett will issue a gift acknowledgement and receipt for net value of the cash gift received in all cases.

Donor Designations

- Donors may designate their gift to be used for the general charitable purposes of the Friends of Bassett, one of the Bassett Healthcare Network Hospitals, or a specific fundraising priority. Donors who give more than \$1,000 may designate their gift to an existing specific fund.
- Donors who provide a gift of \$10,000 or more may establish a fund to benefit a specific program or project through the Friends of Bassett with approval of the Friends of Bassett Finance committee.

Gifts of Personal Property



How It Works

- You transfer a valuable painting, antique, or other personal property to The Friends of Bassett.
- The Friends of Bassett may hold and display the property or use it in the furtherance of its mission.
- The Friends of Bassett may sell the property at some point in the future and use the proceeds for its mission.

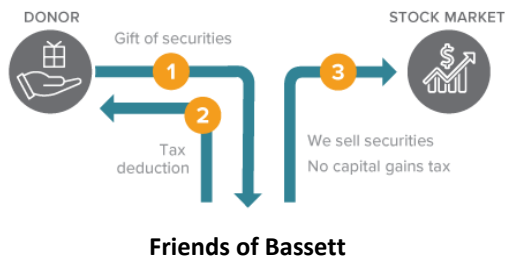
Benefits

- You receive an immediate income tax deduction for the appraised value of your gift and pay no capital gains tax, so long as the gift can be used by the Friends of Bassett to carry out its mission.
- In certain cases, you can use personal property to fund a life income gift that provides you and/or other loved ones with an income now and benefits the Friends of Bassett in the future.
- Without using cash, you can make a gift that is immediately beneficial to The Friends of Bassett.
- The IRS gives donors who contribute appreciated property, like securities and real estate, two tax breaks: a charitable deduction for the full fair market value of the asset, and no capital gains tax on the transfer to The Friends of Bassett.
- The same benefits also encourage gifts of personal property: artwork, antiques, equipment, and other items that help us advance our mission.

Planning points

- You will need to secure an independent appraisal of the property to establish the amount of your deduction.
- Most gifts of personal property are made to the Friends of Bassett outright. In some cases, it may be possible for you to arrange for life income to be paid to you in return for the gift. Consult with your advisors and our office before proceeding with such a plan.
- If you are considering such a gift, please talk with us first. We can determine if the items can be used by us – a requirement for you to claim a full deduction. If you donate personal property that is liquidated for cash, the IRS will limit your charitable deduction to your cost basis in the property.
- We do reserve the right to sell the property at a later date if it can no longer be used or properly cared for by The Friends of Bassett.

Gifts of Stock or Appreciated Securities



How It Works

- You transfer appreciated stocks, bonds, or mutual fund shares you have owned for more than one year to The Friends of Bassett.
- The Friends of Bassett sells your securities and uses the proceeds for our programs.
- Use our Stock Transfer Form to facilitate the gift.

Benefits

- You receive an immediate income tax deduction for the fair market value of the securities on the date of transfer (even if you originally paid much less for them).
- You pay *no capital gains tax* on the transfer when the stock is sold.
- Giving appreciated stock can be more beneficial than giving cash. The "cost" of your gift is often less than the deduction you gain by making it.

Example

- A \$5,000 **cash gift** and a gift of \$5,000 in **appreciated securities** both generate the same charitable deduction. But if you use publicly traded stocks, bonds, or mutual fund shares that you have held for a year or longer to make your gift, you will receive an *additional tax benefit*: The IRS allows you to make your transfer to without recognizing capital gains on the appreciation. You can thus leverage a larger donation than you could make with cash — and receive a larger tax benefit — by "*buying low and giving high.*"
- Your gift of stock is valued, for tax purposes, at the mean of the high and low on the date the shares are received in our account. Mutual funds are valued at the "net asset value."
- If you and your advisors are transferring assets at the end of the year, it is especially important to note the following.
- *For stocks transferred through the U.S. Post Office*, the gift date may be found in the postmark. (Stock certificates should be sent unsigned to The Friends of Bassett with an executed stock power mailed under separate cover on the same day.)
- *Gifts delivered by UPS, Fedex, or any other delivery company* are credited, by law, on the day received by The Friends of Bassett.
- Gifts delivered by hand is the date the security is hand-delivered (physical certificates).
- Gift transferred electronically are on the date the stock is transferred into the Friends' brokerage account.

Important Tip: Don't sell the stock first. Even though you may give us the proceeds as a gift, the IRS will impose capital gains tax on your sale, wiping out the benefits of this arrangement.

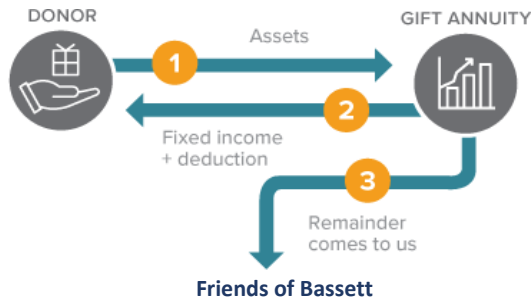
Closely Held Securities or Business Interests

- Debt and equity positions in non-publicly traded businesses, hedge funds, or REITs, and interests in limited liability companies and partnerships may only be accepted upon prior written approval of the Executive Committee in consultation with the Friends Treasurer.
- The Executive Committee may look at such measures as valuation, marketability, restrictions, and any other issue that may arise either in the gift negotiation or in a corresponding shareholder's agreement.
- While it is permissible for the donor's company to redeem the stock after the gift is made to the Friends, there can be no redemption agreement, either stated or implied, prior to the gift.
- Options and Other Rights in Securities: Warrants, stock options and stock appreciation rights may only be accepted upon prior written approval of the Executive Committee and the Friends Treasurer

Valuation

- As required by the IRS, for gifts of non-publicly traded securities exceeding \$10,000, it is the donor's responsibility to have the securities valued by a qualified independent appraiser. The Friends shall use the appraiser's valuation figure from a signed (by the donor and independent appraiser) "Noncash Charitable Contributions," IRS Form 8283, which the donor should provide for the Friends' signature.
- Gifts of non-publicly traded stock of \$10,000 or less may be valued as the per-share cash purchase price of the most recent transaction. Normally, this transaction is the redemption value of the stock by the corporation. For a gift of \$10,000 or less, when no redemption has occurred during the reporting period, an independent certified public accountant who maintains the books for a closely held corporation is deemed to be qualified to value the stock of that corporation.

Charitable Gift Annuities



How It Works

- You transfer cash or securities to The Friends of Bassett. Our minimum suggested gift requirement is \$10,000.
- The Friends of Bassett pays you, yourself, and a spouse, or any two beneficiaries you name, fixed payments for life.
- Beneficiaries are recommended to be at least 65 years of age at the time of the gift.
- The remaining balance passes to The Friends of Bassett when the contract ends.
- Gift Annuity rates are determined by the American Council on Gift Annuities.

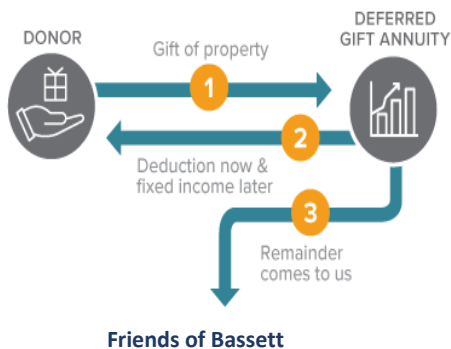
Benefits

- Receive more income for your money because of higher gift annuity rates.
- Receive dependable cash-flow for life, regardless of fluctuations in the market.
- In many cases, receive payments at a rate higher than the interest you are currently receiving on investments.
- Receive an immediate income tax deduction for a portion of your gift.
- A portion of your annuity payment will be tax-free for a number of years.
- Are you a younger donor? Consider a deferred gift annuity that is discussed below.

New: Qualified Charitable Distributions

- Donors over the age of 70 ½ years may now make a one-time distribution of up to \$50,000 from their IRA or qualified plan directly to Friends of Bassett in exchange for a Charitable Gift Annuity.
- The Gift Annuity must be paid for the life of the donor or the donor and spouse.

Deferred Gift Annuity



How It Works

- You transfer cash or securities to the Friends of Bassett. Our minimum gift requirement is \$10,000.
- Beginning on a specified date in the future, The Friends of Bassett begins to pay you, or up to two annuitants you name, fixed annuity payments for life.
- The remaining balance passes to The Friends of Bassett when the contract ends.

Benefits

- Deferral of payments permits a higher annuity rate and generates a larger charitable deduction.
- You can schedule your annuity payments to begin when you need extra cash flow, such as retirement years.
- Payments are guaranteed and fixed, regardless of fluctuations in the market.
- The longer you elect to defer payments, the higher your payment will be.
- Of all the gifts that pay you back, the **charitable gift annuity** is the simplest, most affordable, and most popular. You make a gift to the Friends of Bassett and in return, we agree to make fixed payments to you for life. The gift agreement is a simple contract between you and the Friends of Bassett. Your payments become one of our general obligations, fully backed by all our assets, *and will not fluctuate*.
- When the contract ends, we apply the balance of the gift annuity to the program you designated when you made your gift.

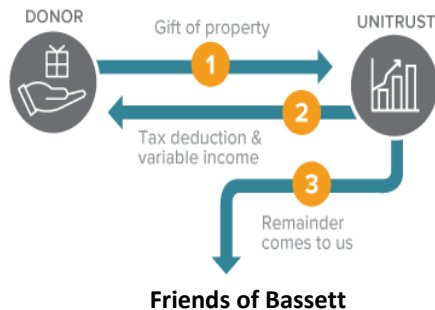
Gift annuities offer attractive tax benefits:

- You will receive a federal income tax deduction for a portion of your gift, based on the full value of the assets you contribute minus the present value of the life-income interest you retain.
- If you fund your charitable gift annuity with appreciated securities, naming yourself as beneficiary, *no capital gains tax is due on the transfer*. Only a portion of your capital gain will be reportable, and the tax will be spread over your annuity payments.
- Part of each annuity payment will be treated as *tax-free return of your principal*. This effectively increases the yield from your annuity over your life expectancy.
- Your gift annuity can start payments once you have made your contribution (an immediate payment gift annuity), or payments can begin at a later date selected by you (a deferred gift annuity). Deferral entitles you to a higher annuity rate and generates a larger charitable deduction.

Most Common Uses

- Supplement Income in Retirement — If you have already retired and want to increase the yield from low dividend stocks or other interest-bearing assets, a charitable gift annuity can provide you with guaranteed fixed income for life at a rate higher than most dividends, CDs, or savings accounts.
- Income to Aging Parents — Many members of the "sandwich" generation face the difficult task of caring for children at the same time they are providing help and support for aging parents. Frequently these parents do not want to take money from their children, causing them financial hardship. A charitable gift annuity with us can provide payments or direct deposit to your aging parent or parents now and a gift to us later, all while providing you with both peace of mind and an income tax deduction.

Charitable Remainder Unitrust



How It Works

- You transfer cash, securities, or other appreciated property into a trust. The required minimum for this type of gift is \$100,000. *
- The trust pays a percentage of the value of its principal, which is valued annually, to you or beneficiaries you name.

- You may use your real estate to fund a charitable remainder unitrust (CRUT), which may be structured to provide lifetime income for you and/or others, or income for a term of years.
- When the trust terminates, the remainder passes to The Friends of Bassett to be used as you have directed.

Benefits

- Receive income for life or a term of years in return for your gift.
- Receive an immediate income tax *deduction* for a portion of your contribution.
- Pay no up-front capital gains tax on appreciated assets you give.
- You may be able to make additional gifts to the trust as your circumstances allow for additional income and tax benefits.

*Qualified Charitable Distribution

- Congress has approved a one-time Qualified Charitable Distribution from an IRA or other qualified plan to a Charitable Remainder Unitrust which pays an unitrust income for the life of the donor or donor and spouse for recipients who are age 70 ½ years of age. The amount of the one-time distribution is \$50,000.
- The Charitable Remainder Unitrust must otherwise meet the requirements provided by section 664 of the Internal Revenue Code.
- An appraisal is required to value gifts other than cash and marketable securities.

A **charitable remainder unitrust** is a separately invested and managed charitable trust that pays a percentage of its principal, revalued annually, to you and/or other income beneficiaries you name for life or a term of years (up to a maximum of 20). You receive a charitable income tax deduction for a portion of the value of the assets you place in the trust. After the unitrust terminates, the balance or "remainder interest" goes to The Friends of Bassett to be used as you designate.

The unitrust advantage: flexibility

- The most *flexible* life-income plan, a unitrust is a powerful vehicle for benefiting yourself, your heirs, and The Friends of Bassett.
- You can use almost any asset to fund a unitrust, including cash, publicly traded stocks and bonds, closely held stock, partnership interests, and real estate. You can tailor your unitrust to meet many financial or estate planning goals. You can choose to receive income beginning immediately or you can structure the trust and its investments to defer most of your income to a future time (a [FLIP Unitrust](#)). If you are insurable, you can even use some of the income or tax savings produced by your plan to purchase a life insurance policy that replaces your gift and flows to your heirs outside of your estate ("wealth replacement"). We can assist you and your advisors as you design the right unitrust to achieve your goals.

Additional advantages

- Receive a charitable *income tax deduction* for a portion of your gift.
- Avoid all *upfront capital gains tax* on any appreciated assets you transfer to the unitrust.
- Reduce your estate tax liability by removing a large taxable asset from your estate.
- Increase your income over time to keep pace with inflation if the principal value of the unitrust grows (particularly appealing to younger donors and income beneficiaries).

SECURE ACT

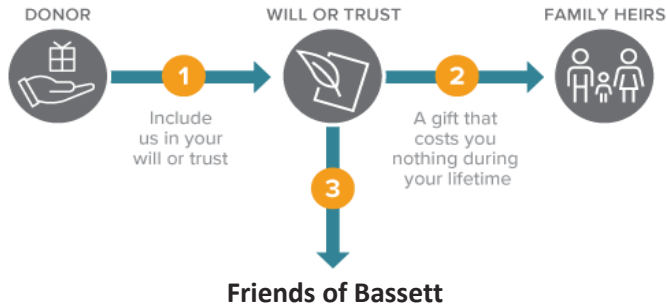
The recently enacted SECURE Act mandates that most beneficiaries of Retirement Plan Assets, other than a spouse must withdraw all funds and pay taxes on them within a 10-year period. This can result in much larger taxes for beneficiaries and result in these no further financial benefits after the 10 year period. Donors wanting to mitigate the annual taxes AND provide lifetime income benefits for heirs may want to consider leaving their Retirement Plan Assets to a charitable remainder trust. The real beauty of this plan is the ultimate support it provides for The Friends of Bassett.

FLIP Unitrust (Professional Retirement Unitrust)

A FLIP Unitrust defers income payments until a future date when the income switch "flips" on. Until that predetermined time, the trust pays net income only. If no net income is produced, the trust pays nothing. Once the "flip" event occurs, the trust converts or "flips" to a standard unitrust that pays a defined percentage of the fair market value of the assets to the beneficiaries beginning January 1st of the following year. This flexible feature allows the trust to defer income payments until the sale of an illiquid asset, such as real estate, or to flip on a

particular date set up at the time of the trust. If you set up a Professional Retirement Unitrust, the trust “flips” at your pre-determined retirement date, meaning that it then provides you with supplemental income in retirement starting January 1 of the following year. It is a great way to make a gift and supplement retirement at the same time.

Gifts from Your Will or Trust



How It Works

- Include a gift to The Friends of Bassett in your will or trust.
- Make your bequest unrestricted or direct it to a specific purpose.
- Indicate that you would like a percentage of the balance remaining in your estate or trust or indicate a specific amount.
- Tell us about your gift so we may celebrate your generosity now with membership in the Copula Society.

Sample Bequest Language for your Will or Revocable Living Trust

A gift to The Friends of Bassett in your will or revocable trust enables you to support our mission and make a difference in the lives of future generations. A bequest:

- is easy to arrange.
- will not alter your current lifestyle in any way.
- can be easily modified to address your changing needs.

Residual Gift Language

- A residual bequest comes to us after your estate expenses and specific bequests are paid:

I give and devise to The Friends of Bassett (Tax ID #), located in Cooperstown, NY, all (or state a percentage) of the rest, residue, and remainder of my estate, both real and personal, to be used for its general support (or for the support of a specific fund or program).

Specific Gift Language

Naming The Friends of Bassett as a beneficiary of a specific amount from your estate is easy:

I give and devise to The Friends of Bassett (Tax ID #), located in Cooperstown, NY, the sum of \$ _____ (or asset) to be used for its general support (or for the support of a specific fund or program).

Contingent Gift Language

The Friends of Bassett or its affiliates can be named as a contingent beneficiary in your will or personal trust if one or more of your specific bequests cannot be fulfilled:

If (insert name) is not living at the time of my demise, I give and devise to The Friends of Bassett (Tax ID #), located in Cooperstown, NY the sum of \$ _____ (or all or a percentage of the residue of my estate) to be used for its general support (or for the support of a specific fund or program).

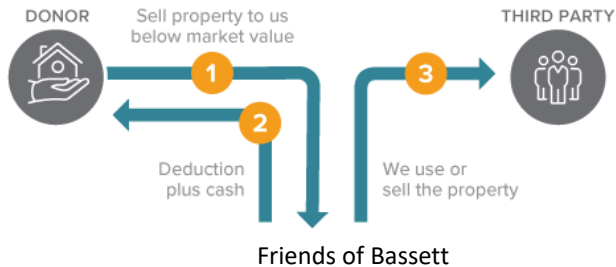
Retirement Plan Beneficiary Language

You may name The Friends of Bassett (Tax ID #) as a beneficiary of your IRA or other qualified retirement benefits. Donors should consult with their tax advisor regarding the tax benefits of such gifts.

Naming The Friends of Bassett as the beneficiary of a qualified retirement plan asset such as a 401(k), 403(b), IRA, Keogh or profit-sharing pension plan will accomplish a charitable goal while realizing significant tax savings. It can be costly to pass such assets on to heirs because of heavy tax consequences. By naming The Friends of Bassett as a beneficiary of a retirement plan, the donor maintains complete control over the asset while living, but at the donor's death the plan passes to support The Friends of Bassett free of both estate and income taxes. Making a charitable gift from your retirement plan is easy and should not cost you any attorney

fees. Simply request a change-of-beneficiary form from your plan administrator. When you have finished, please return the form to your plan administrator, and notify The Friends of Bassett. We can also assist you with the proper language for your beneficiary designation to The Friends of Bassett.

Bargain Sale



How It Works

- You sell your residence or other property to The Friends of Bassett for a price below the appraised market value—a transaction that is part charitable gift and part sale.
- The Friends of Bassett may use the property, but usually elects to sell it and use the proceeds of the sale for the gift purposes you specified.

Benefits

- You receive an *immediate income tax deduction* for the discount you took from the appraised market value of your property.
- You pay *no capital gains tax* on the donated portion of the property.
- You can receive payment from us in a lump sum, or in fixed installments.
- With the **charitable bargain sale**, you sell real estate or other marketable property to us at less than fair market value. The transaction gives you cash that you can use, plus a charitable income tax deduction for the discount you took from the market value.
- We mutually agree on the purchase price for your property, and on whether we will pay you in a lump sum or through an installment note.
- The bargain sale is the only gift plan that can give you both: a lump sum of cash, *and* a charitable deduction.

Planning Points

- Real Estate gifts are reviewed prior to acceptance by Friends of Bassett. You will need to a qualified appraisal to establish value.
- You may also be required to have an environmental survey if the property is located in a known remediation site or there are special circumstances associated with the site.
- Remember that the valuation must be reasonable. The IRS does compare the charitable income tax deduction against the sales price that the charity or charitable trust actually receives.

Gifts of Life Insurance



Friends of Bassett

How It Works

- You transfer ownership of a paid-up life insurance policy to The Friends of Bassett.
- The Friends of Bassett elects to cash in the policy now or hold it.
- You can also name Bassett as a beneficiary of your life insurance policy.

Benefits

- Make a gift using an asset that you and your family no longer need.
- Receive an income tax deduction equal to the cash surrender value of the policy.
- Just naming Friends of Bassett as a beneficiary does not provide an income tax deduction but will provide an estate tax deduction if the policy is owned individually by the donor.
- You may be able to use the cash value of your policy to fund a gift that delivers income, such as a deferred gift annuity.
- A life insurance policy is a wonderful asset that can be used to create a much greater philanthropic impact at the Friends of Bassett than you might have thought possible.
- If you are carrying more insurance coverage than your family obligations now require, or if you would like to explore a low-cost/large-impact gift generally, consider using life insurance to create a meaningful legacy with the Friends of Bassett for relatively little cost.

Donate an Existing Policy

- The Friends of Bassett accept a gift of life insurance provided that the policy has a positive cash surrender value and the Friends have been named both irrevocable beneficiary and owner of the policy.
- You can irrevocably designate The Friends of Bassett as the owner and beneficiary of an existing policy. If the policy is fully paid up or otherwise has an internal value, you will be able to claim a current income tax charitable deduction at the time of contribution for approximately the cash surrender value of the policy. In addition, if the policy is not yet fully paid up, you will continue to make annual premium payments as they are due and will be able to claim a tax deduction for each payment.

Designate The Friends of Bassett as Beneficiary

- If you have a policy that is not yet ripe for outright donation, you can create a wonderful legacy by designating The Friends of Bassett as a partial or full beneficiary of an existing policy. You will retain ownership of the policy and the flexibility to change your beneficiary designation later if your circumstances change, but any policy proceeds distributed to the Friends of Bassett will be exempt from estate tax in your estate and create a wonderful legacy at comparatively low cost.

Gifts of Real Estate



Friends of Bassett

How It Works

- You deed your home, vacation home, undeveloped property, or commercial building to the Friends of Bassett.
- The Friends of Bassett may use the property or sell it and use the proceeds.

Benefits

- You receive an income tax deduction for the fair market value of the real estate based on a qualified appraisal.
- You pay no capital gains tax on the transfer.
- You can direct the proceeds from your gift to a specific program at The Friends of Bassett.

Planning Points

- Real Estate gifts are reviewed prior to acceptance by Friends of Bassett. You will need to a qualified appraisal to establish value.
- You may also be required to have an environmental survey if the property is located in a known remediation site or there are special circumstances associated with the site.
- Remember that the valuation must be reasonable. The IRS does compare the charitable income tax deduction against the sales price that the charity or charitable trust actually receives.

Retained Life Estate



Friends of Bassett

How It Works

- You transfer the title to your residence, farm, or vacation home to The Friends of Bassett and live there for the rest of your life.
- Continue to live in the property or use it for life or a specified term of years and continue to be responsible for all taxes and upkeep.
- The property passes to the Friends of Bassett when your life estate ends.

Benefits

- You can give us a significant asset but retain the security of using your property for the rest of your life.
- You receive an immediate income tax deduction for a portion of the appraised value of your property.
- You can terminate your life estate at any time and may receive an additional income tax deduction OR you and the Friends of Bassett may jointly decide to sell the property and prorate the sale proceeds.

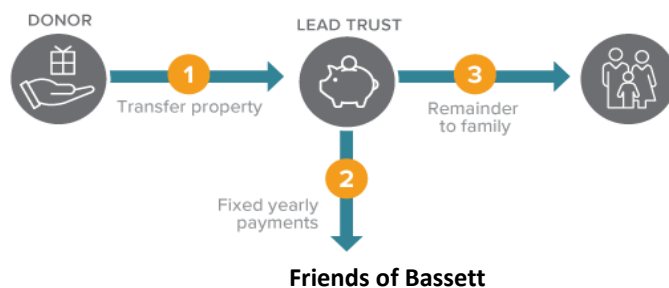
Planning Points

- Life Estate gifts are reviewed prior to acceptance by Friends of Bassett. You will need to a qualified appraisal to establish value.

- You may also be required to have an environmental survey if the property is located in a known remediation site or there are special circumstances associated with the site.
- Remember that the valuation must be reasonable.
- For gifts subject to a retained life estate, the donor or primary life beneficiary shall be responsible for all expenses other than capital expenditures during the life tenancy, including but not limited to maintenance, real estate taxes, assessments, and insurance.
- The existence and amount of any carrying costs, such as property owner's association dues, transfer charges, taxes, and insurance must be disclosed. The donor is responsible to pay the costs associated with the conveyance and delivery of the gift.
- Ownership of your real estate will be transferred to the Friends of Bassett at a future date, yet you are entitled to an immediate tax deduction and retain the rights and obligations of ownership for life. You will continue to be responsible for its taxes, structural maintenance, insurance, and upkeep.
- You will receive a charitable deduction based on the fair market value of your home minus the present value of the life tenancy you have retained. Additionally, any capital improvements, such as a new roof, may give rise to additional deductions.

With a retained life estate, you are able to make a significant gift to the Friends of Bassett without disturbing your income or your living arrangements.

Charitable Lead Trust



How It Works

- You contribute securities or other appreciated assets to a Charitable Lead Trust. Our suggested minimum gift is \$1,000,000.
- The trust makes annual payments to the Friends of Bassett for a period of time.
- When the trust terminates, the remaining principal is paid to you or heirs.
- This is an excellent estate, gift, and income tax planning tool.

Benefits

- Income payments to Friends for a term of years reduces the ultimate estate or gift tax cost of transferring an asset to your heirs.
- The amount and term of the payments and payment to the Friends of Bassett can be set so as to reduce or even eliminate transfer taxes due when the principal reverts to your heirs even for generational gifts.
- All appreciation that takes place in the trust may go tax-free to the individuals named in your trust.

Planning Points

- You will need a qualified appraisal to establish value of non-cash gifts, gifts of closely traded securities, or real estate-based gifts to a charitable lead trust.
- Remember that the valuation must be reasonable. Lead Trusts are often used to shift taxable income to the trust from the donor rather than for the charitable income tax deduction. However, the valuation is important at the time of the gift for estate and gift tax purposes.
- You will need an independent qualified Trustee for the Lead Trust.

Summary

- There are several types of charitable gifts that reduce your tax costs for transferring assets to your heirs. A charitable lead trust is one of the best tools for tax savings on passing intergenerational transfers of

wealth to your heirs. In a nutshell, a lead trust holds appreciating assets for a term of years (or for your lifetime) and makes quarterly or annual payments to The Friends of Bassett. The Friends of Bassett benefits from the stream of reliable, steady gifts from the lead trust, and you're able to witness the good work your contribution makes possible during your lifetime. At the end of the trust's term, all remaining trust assets are distributed to your designated beneficiaries with greatly reduced gift and estate tax, regardless of how much the trust has grown. A lead trust can be structured to totally eliminate estate and gift taxes on trust assets.

- Two Types of Lead Trusts and Charitable Lead Annuity Trust
- A charitable lead annuity trust, sometimes referred to as a CLAT is usually the best option for reducing or eliminating estate and gift taxes on assets passed to your children. It enables you to give a fixed annual amount to The Friends of Bassett for a term of years or for the life of one or more individuals. At the conclusion of the trust's term, the trust terminates and distributes its remaining assets to the individuals you designate in the original trust document. Your lead trust greatly reduces or eliminates estate and gift taxes on the assets you place in the Trust.
- A charitable lead unitrust, sometimes referred to as a CLUT, will give a variable annual amount to The Friends of Bassett for a term of years or for the life of one or more individuals. At the conclusion of the trust's term, it distributes its remaining assets to the individuals you designate in the original trust document. Your lead trust greatly reduces or eliminates estate and gift taxes on the assets you place in the trust.
- Both the charitable lead unitrust and the charitable lead annuity trust are wonderful tools to help families support The Friends of Bassett while protecting intergenerational wealth from gift and estate taxes.
- Q& A:
Can I name my grandchildren as beneficiaries of my Charitable Lead Trust?
- Yes, you may list your grandchildren as beneficiaries. Due to the generation-skipping transfer tax, there are more complications related to a lead trust with grandchildren as beneficiaries than one that passes assets directly to children. Most legal professionals would prefer the use of a Charitable Lead Unitrust if grandchildren are named as beneficiaries.
Will I be able to claim an income tax deduction when I set up my Charitable Lead Trust?
- Maybe. If the trust is structured a certain way, you'll be eligible to claim an income tax deduction in the year you set up your trust. However, that means that all of the trust income in following years will be taxed to you as well. Most donors structure their CLTs in a way that does not yield a current income tax deduction so that they don't have to worry about income tax issues in the future. In both cases, you are able to provide wonderful support to The Friends of Bassett and to pass trust appreciation to your family free of gift and estate tax. We can provide you and your advisors with information that will help you decide which type of CLT will work better for you.

Designate and Donate — Gifts Anyone Can Make

You can support The Friends of Bassett in several simple and savvy ways without reducing your income or diminishing your savings.

- Think about using assets that can be transferred to The Friends of Bassett without legal expense. You may have bank investments, retirement, insurance, stock, or mutual-fund accounts that you can use to accomplish your charitable goals. All of these assets can be transferred by completing a P.O.D. (Payable on Death) or T.O.D. (Transfer on Death) form. Some companies also call these beneficiary designation forms. This completed form tells the account custodian what to do with the account after your passing.
- You can name The Friends of Bassett in your long-term plans today without a negative impact on cash flow or lifestyle. Keep it simple and savvy. Ask your bank for a P.O.D. form. Ask your retirement plan, investment account or insurance company for a T.O.D. form. Designate and donate with any of these assets. It takes less than five minutes of your time.

Benefits of Naming the Friends of Bassett in Your Long-Term Plans

- You can make a gift that costs you nothing during your lifetime.

- You can make a gift and leave your cash flow and current financial planning unchanged.
- You can make a gift with appreciated assets and save taxes.
- You can use your retirement plan for charitable giving (give your heirs assets with lower tax burden).

As a professional advisor, you build your client relationships on trust and mutual respect. The same is true for our relationships with our friends and donors.

We understand that financial, philanthropic and estate goals are unique to the individual. For this reason, we welcome the opportunity to assist as you incorporate your clients' philanthropic objectives into well-crafted estate plans. Furthermore, we encourage prospective donors to consult with their professional advisors before making decisions based on information we provide.

Please feel free to contact us directly for information or assistance on a confidential basis.

Legal Name: The Friends of Bassett, Inc.

Tax I.D. Number:

DTC Number:

Incorporated in: