

## TOOLS FOR GIVING

# Income for today, a gift for tomorrow

## Charitable Gift Annuity



**Giving through a Charitable Gift Annuity** allows you to arrange a generous gift to your community, while providing yourself a new income source you can count on for the rest of your life.

### How it works

- You make a gift to your community foundation — you can give cash, appreciated stocks, real estate, or other assets.
- We set up a contract with you that combines immediate annuity payments with a deferred charitable gift.
- You receive a stream of income that is fixed, regardless of market conditions.
- You also receive an immediate tax deduction for the charitable portion of your gift.
- Upon your death, we set up a fund in your name, in the name of your family or business, or in honor of any person or organization you choose.
- We handle all the administrative details — issuing annuity payments to you during your lifetime and, afterward, issuing annual grant awards to charities in the name of the fund.
- Your gift can be placed into an endowment that is invested over time. Earnings from your fund are used to make grants addressing community needs. Your gift — and all future earnings from your gift — is a permanent source of community capital, helping to do good work forever.

### A caring, careful gift

Angela Kline was always active in her community — generous with both her time and money. After she retired and began living on a fixed income, she worried that continuing to give would sacrifice her financial security. “There are some causes I wish I could still support, mostly focused on women and girls in our community,” said Angela. “But my investments are paying less than I had planned.” Her friend Carmen, a CPA, told Angela that she might consider establishing a Charitable Gift Annuity through her local community foundation. “This is a good choice for Angela,” says Carmen. “She is a very caring, generous person, but she also needs to feel financially secure.” By giving through her community foundation, Angela receives a fixed annuity payment that adds up to more than her former investment income. Plus, upon her death, her gift will create the Kline Fund for Women and Girls.

### Ten reasons people choose to give through community foundations

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#### one

We are a **local organization** with deep roots in the community.

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#### two

Our professional program staff has **broad expertise** regarding community issues and needs.

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#### three

We provide highly **personalized service** tailored to each individual's charitable and financial interests.

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#### four

Our funds help people **invest in the causes** they care about most.

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#### five

We accept a wide **variety of assets**, and can facilitate even the most complex forms of giving.

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#### six

We partner with **professional advisors** to create highly effective approaches to charitable giving.

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#### seven

We offer maximum **tax advantage** for most gifts under federal law.

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#### eight

We **multiply the impact** of gift dollars by pooling them with other gifts and grants.

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#### nine

We build **endowment funds** that benefit the community forever and help create personal legacies.

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#### ten

We are a **community leader**, convening agencies and coordinating resources to create positive change.

### More benefits

Income from your Charitable Gift Annuity may add up to more than the interest and dividends you earned from holding the assets. You can use this income to supplement your own lifestyle, or that of someone else: a sibling, a dependent parent, a friend, or a former employee. You or a loved one can start receiving annuity payments immediately, or defer them to increase your charitable income tax deduction. A portion of the income may be a tax-free return of principal, while some is taxed as ordinary income or capital gains. The amount of annuity paid and the tax deduction received depends on the age of the recipient and the current annuity rate (as established by the American Council of Gift Annuities).

A Charitable Gift Annuity reduces estate assets and may reduce estate taxes. Plus, it's easier to set up than a charitable trust and is backed by the general assets of your community foundation.

*Community foundations provide a simple, powerful, and highly personal approach to giving. We offer a variety of giving tools to help people achieve their charitable goals.*

*You can make a gift of cash, stocks, bonds, real estate, or other assets to your community foundation. Most charitable gifts qualify for maximum tax advantage under federal law. For more information and ideas on ways to integrate your financial planning with charitable giving, ask your financial advisor or contact your community foundation.*