

GIFTS WE ACCEPT

GIFTS FOR TODAY

Cash and Cash Equivalents

Cash, usually in the form of a check or credit card, is a convenient way to give. If you itemize your deductions on your federal income tax return, you may take a charitable gift deduction for the amount of your gift. If you give your gift to an endowed fund that supports a nonprofit in Iowa, you may be eligible to receive a 25 percent Endow Iowa tax credit. If you can't take the entire deduction in the first year, you may carry the balance forward into the next five years. When savings bonds, certificates of deposit and other ordinary income assets are gifted to the Community Foundation, you will not have to pay tax on the gain in those assets. You can name the Community Foundation as the primary beneficiary, contingent beneficiary or as a partial beneficiary.

Memorials and Honors

Gifts can be made in memory or honor of a loved one, or to commemorate a special milestone or event. The gifts can be made to an existing fund or you may choose to establish a special fund. Otherwise the gifts are directed to the Community Fund to support community needs.

Securities

You can transfer ownership of appreciated securities (stocks, bonds or mutual funds) owned for at least one year to the Community Foundation. You will receive a deduction for the average value of the security on the day of the transfer. When you contribute long-term appreciated securities to the Community Foundation, you have two options:

- Sell the securities and contribute the proceeds to the Community Foundation (and pay any associated capital gains tax), or
- Contribute the securities directly to the Community Foundation – we receive the full proceeds from the sale, and you avoid capital gains tax. The full proceeds from the sale of the shares may be placed in your named fund or any named fund at the Community Foundation for charitable giving purposes. You may claim a charitable income tax deduction in the year in which the gift is made. If you can't deduct the full fair market value of the gift in the first year, you may carry the balance forward for the next five years. If the securities have been owned less than one year, the charitable deduction is based on your cost basis in the security.

Real Estate

You can make outright gifts of real estate to the Community Foundation. If you have owned the donated property for at least one year, you can avoid paying capital gains taxes on the appreciation of the property value. Outright gifts of real estate will often result in an income tax deduction equal to the fair market value of the property, as determined by appraisal. There are some situations where this may be reduced. It's possible to make a gift of your personal residence, vacation home, or farm to the Community Foundation and retain a "life estate" in the property, allowing you to retain rights to use or rent out the property until your death. When you deed the property directly to the Community Foundation, you receive an immediate income tax deduction for a portion of the appraised fair market value, and have the peace of mind knowing that the property will be excluded from probate. If the donated real estate is a long-term capital asset, you may claim a charitable income tax deduction for the donation. If you can't deduct the full fair market value of the gift in the first year, you may carry the balance forward for the next five years.

Closely Held Securities

For owners of closely held securities, such as S Corporations (S Corps) stock, it is possible for companies to give S Corps stock, and for the Community Foundation to own S Corps stock. There are limitations that accompany ownership of such stock, and the owners of these securities should consult their professional advisors prior to making this type of gift to the Community Foundation.

Gifts of Grain

Donating a gift of grain to the Community Foundation is a simple way to make a lasting difference. The value of the grain can be used to start an endowed fund in the name of your family, for a specific Iowa nonprofit organization, or for the Community Fund to meet ongoing community needs. By giving grain to the Community Foundation, you avoid including the sale of the grain in your farm income. Although a charitable income tax deduction is generally not available to you, the avoidance of declaring it as income, and the possibility of a 25 percent Endow Iowa tax credit, are significant benefits. You can deduct the cost of growing the crops, which typically results in saving self-employment tax, federal income tax and state income tax. You can benefit even if you don't itemize your deductions and take the standard deduction.

LEGACY AND PLANNED GIFTS

Beneficiary Designation (Retirement Asset)

One of the easiest ways to leave a charitable gift is to designate the Community Foundation as the beneficiary of an IRA, annuity or a retirement plan. A retirement plan is one of the best types of assets to transfer to the Community Foundation because it produces taxable income. Beneficiary proceeds directed to us are not subject to income and estate taxes. When you name the Community Foundation as a beneficiary of specific assets, you enjoy some flexibility and simplicity in giving including the ability to change the designation during your lifetime; designate all or a portion of the asset; or designate the charity as a beneficiary without the help of an attorney.

Bequest

Donors may choose to make an estate gift to the Community Foundation through a will or living trust. In some cases, you may qualify to receive a substantial reduction in federal gift and estate taxes. Your gift can be used to accomplish almost any charitable goal such as establishing a scholarship fund; creating an endowment for a particular charity; or leaving a family legacy that allows children to continue their involvement in charitable grantmaking.

Charitable Gift Annuity

A charitable gift annuity is a simple contract established between a donor and the Community Foundation. A gift of cash or marketable securities can be used to establish an endowed fund to benefit a charity of the donor's choice. The remainder is returned to a designated recipient as scheduled income payments. Charitable gift annuities are easy to establish, require no trust administration, incur no setup costs to the donor and provide a partial charitable income tax deduction for the donor.

Life Insurance and Life Insurance Beneficiary

By designating the Greater Cedar Rapids Community Foundation as the beneficiary of a new or existing life insurance contract, you can make a significantly larger charitable gift than may be possible out of your current assets. If you make the Community Foundation the owner of the contract, you can deduct the premiums. If you own the contract, you cannot deduct the premiums. However, proceeds payable to the Community Foundation upon your death will not be subject to federal estate taxes.

Charitable Remainder Trust

Giving through a charitable remainder trust allows you to place cash or property in a trust that pays annual income to you (or another designated beneficiary) for life. After your death, the remainder of the trust transfers to the Community Foundation and is placed in a charitable fund in your name or one that you have chosen. You receive income tax benefits the year you establish this trust.