

## **A Donor's Bill of Rights**

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To ensure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the nonprofit organizations and causes they are asked to support, we declare that all donors have these rights:

- To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
- To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
- To have access to the organization's most recent financial statements.
- To be assured their gifts will be used for the purposes for which they were given.
- To receive appropriate acknowledgement and recognition.
- To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.
- To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
- To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
- To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
- To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

## **Planned Gifts**

Planned Giving is a strategy to maximize your philanthropic goals. Through careful planning and the use of alternative ways of giving, you can enjoy significant tax savings, turn appreciated assets into a secure income stream, provide for loved ones, and make a larger gift to CASA than you ever thought possible.

CASA can offer some ideas for how you can make a planned gift as well as how others have utilized these concepts to leave a legacy of better healthcare for our community.

## **I. Bequests**

Including a charitable gift in your will is the ultimate statement of the values important to you during your lifetime. If access to top quality healthcare for our community is one of those qualities that you cherish, consider leaving a bequest for the benefit of CASA.

Bequests give us the ability to expand and grow in innovative ways, providing precious resources to seek advances in care, develop new educational programs, and underwrite innovative research efforts. Each gift that is left for us has a tremendous impact on our ability to reach greater heights of excellence in the care we provide.

### **What are the benefits of Bequests?**

- Create a legacy for the future without giving up assets now.
- Distribute assets according to your wishes.
- Potential tax savings by removing assets from your overall estate.
- A bequest in your will is exempt from federal and state estate taxes.

### **How do I create a Bequest to CASA?**

Creating a bequest is easy. All you need to do is add a section in your will or revocable trust detailing your intentions for the CASA. Your gift can be stated as a dollar amount, percentage of your estate, or a designation of specific property.

- Types of assets used to fund a bequest include cash, securities, real estate, retirement accounts, pension plans, life insurance contracts, boats, artwork, antiques, etc. We accept just about any asset and encourage gifts of any amount. Every dollar makes a difference.

Your gift can be designated as unrestricted - for use wherever our needs are greatest - or you may restrict the funds for a specific purpose. You can even create an endowed fund which can exist in perpetuity with annual income earned each year being used in support of an area of choice.

*Note: If restricting your bequest for a specific purpose or creating an endowed fund, please notify CASA Executive Director, Anne Walp, of your intentions to ensure that your request can be fulfilled CASA and that the language used is appropriate to accomplish your wishes.*

## **Suggested Bequest Wording**

Unrestricted:

"I give and bequeath to CASA Inc. of Portland, Maine (the sum of \_\_\_ dollars) (\_\_\_ percent of the rest, residue, and remainder of my estate) or (a specific asset), without reduction for any tax occasioned by my death, for such purposes as the Trustees of CASA shall determine to be in the best interest of the organization."

Restricted:

"I give and bequeath to CASA Inc. of Portland, Maine (the sum of \_\_\_ dollars) (\_\_\_ percent of the rest, residue, and remainder of my estate) or (a specific asset), without reduction for any tax occasioned by my death, to be used for the following purpose: *(state the purpose)*. If this gift cannot be utilized for the purpose specified, then it may be used for such related purpose and in such a manner as the Trustees of CASA deem appropriate."

For more information about the benefits of gifting bequests to CASA, contact:

Anne Walp, Executive Director  
CASA Inc.  
741 Warren Avenue  
Portland, Maine 04101  
Hours: 8:00AM - 4:00PM, Mon. - Fri.  
Phone: 207.879.6165  
Fax: 207.879.7466

## **II. Life Income Gifts**

One of the most appealing aspects of creating a future gift for CASA is that this type of support is not a one-way proposition. There are many options available that provide both a significant gift to CASA and generate annual income for you or your designated beneficiaries.

### **How do life income gifts work?**

First, you irrevocably make a contribution of cash or an appreciated asset to CASA. We then sell and reinvest the asset, providing annual income to you and/or a beneficiary for life or a term of years. At the end of the term or the death of the last beneficiary, the remaining value of your gift is transferred to CASA and used for the purposes you have designated.

### **What are the Benefits of Life Income Gifts?**

- Ability to make a larger gift than is often possible through outright giving, at a reduced cost to you the donor.
- Annual income payments.
- Significant tax savings including the ability to bypass capital gains on appreciated assets and removal of assets from your taxable estate.
- Potential to help shape the future of a particular program important to you at Casa
- Unlock appreciated assets and increase your investment yield.
- Professional investment management at no charge.

There are a variety of life income plans to choose from including charitable gift annuities, remainder trusts, and pooled life income funds.

Determining the right vehicle for you depends on a number of factors such as your age, income needs, financial and estate planning objectives, and the type of asset you would like to use to fund your gift.

For more information about the benefits of life income gifts to CASA, contact:

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### III. Gifts of Retirement Assets

Donating retirement assets is one of the most cost-effective gifts that you can make. This is due to the double taxation of retirement funds. If you leave your assets in retirement accounts to children or other heirs, these funds will be included in your taxable estate for federal estate tax purposes. Additionally, beneficiaries must also include any withdrawals they receive from retirement accounts in their taxable income. So both estate taxes and income taxes are charged on the same asset.

If you can make other provisions for your family, leaving retirement assets to CASA is a great way to make the most of these funds that you have accumulated.

#### **What are the benefits of giving retirement assets?**

- Naming Casa as the primary beneficiary of a retirement plan avoids all income and estate taxes.
- Donor does not give up the use and control of these assets throughout their life.
- Allows you to optimize how you distribute assets in your estate.
- Retirement assets are typically one of the largest sources of wealth in a person's portfolio, though often overlooked as a source for charitable giving.

The best way to leave retirement assets to CASA is to advise your retirement plan administrator of your desire to change your beneficiaries and to sign whatever form they require. This allows these assets to remain outside of your estate. CASA can be the primary beneficiary after your death, a secondary beneficiary after your spouse, or even a contingent beneficiary. This bequest can be structured as a percentage of the assets or a specific dollar amount.

Your gift can be designated as unrestricted - for use wherever our needs are greatest - or you may restrict the funds for a specific purpose. You can even create an endowed fund which can exist in perpetuity with annual income earned each year being used in support of an area of choice.

*Note: If restricting your gift for a specific purpose or creating an endowed fund, please notify the Anne Walp of your intentions to ensure that your request can be fulfilled by CASA and that the language used is appropriate to accomplish your wishes.*

If you would like to learn more about the benefits of gifting retirement assets to CASA, contact:

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#### IV. Gifts of Real Estate

For many people real estate assets comprise the largest portion of their overall net worth. These assets can be an excellent option for accomplishing your philanthropic goals.

##### **What are the benefits of giving real estate assets?**

- Avoid any capital gains tax due on the property's appreciation.
- Income tax charitable deduction for the full fair market value of the property.
- CASA will take care of all aspects of the sale of your property.
- Potential to make a gift while still retaining use of your property.

There are a variety of ways to use real estate assets to make a charitable gift.

*Outright gift* – The easiest way to use real estate assets for charitable purposes is to make an outright gift of the title to the property. This option provides the donor with avoidance of all capital gains on the appreciation and a charitable deduction for the fair market value.

*Bargain sale* – Another option is to sell the property to us at a reduced rate. With this strategy, the property is sold to CASA at a price below fair market value. The difference between the sale price and fair market value is considered a charitable donation, entitling the donor to an income tax deduction and partial avoidance of capital gains.

*Retained life estate* – A third option is a gift of retained life estate, in which the donor gives CASA an interest in a residence, be it partial or full, yet retains the right to use the property for the rest of their life. The donor continues to be responsible for all routine expenses, including maintenance fees, insurance, repairs, etc. At the end of your life, the charity can sell the property and use the proceeds in support of an area of your choosing. This is a great option for those with vacation homes or second homes that want to make a gift to CASA though still retain use of their property, and need a large income tax charitable deduction now.

For more information about the benefits of gifting real estate to CASA, contact:

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## V. Charitable Lead Trusts

If you are concerned about the amount of gift and estate taxes that will be levied on your estate when you pass assets to your children or grandchildren - and you are interested in supporting CASA with a charitable donation - a charitable lead trust is a powerful wealth transfer tool that might work for you.

A lead trust is a gift plan whereby you remove a certain amount of assets from your estate by creating a charitable trust that pays an income stream to a charitable beneficiary for a certain number of years. At the end of the required time period, the principal in the trust reverts to your designated heirs, often with estate and gift taxes dramatically reduced or even eliminated.

### **Benefits of a charitable lead trust:**

- A lead trust is an exceptional way for high net worth individuals to transfer property to heirs at a minimal tax cost.
- Make a significant gift to CASA without surrendering the principal that you intend to pass on to your family.
- Avoid the generation-skipping transfer tax which severely taxes an estate that leaves money to grandchildren.
- Any appreciation that takes place inside the trust also goes to your heirs tax-free.

There are two main types of lead trusts: a charitable lead annuity trust and a charitable lead unitrust.

*Annuity Trust (CLAT):* An annuity trust provides a fixed annual income payment to CASA for a period of years, with the remainder principal reverting to your designated beneficiaries.

*Unitrust (CLUT):* A unitrust pays a variable income to CASA based on a percentage of the trust assets revalued annually. Thus, income increases as the trust principal grows over time. This option works well for those looking to pass assets to grandchildren.

### **How do I establish a lead trust ?**

As a separately invested and managed vehicle with its own tax I.D. number, the services of an attorney are required to establish a lead trust. The CASA is in regular contact with some of the finest estate planning experts in Maine who are happy to help you and your advisors throughout the process of setting up a charitable lead trust for the benefit of CASA.

We encourage all donors to consult with their counsel or financial advisors to determine whether a charitable lead trust meets their specific needs.

If you would like to learn more about the benefits of naming CASA as the income recipient of a charitable lead trust, contact:

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## **VI. Gifts of Life Insurance**

If you have life insurance policies that you bought years ago for reasons that no longer apply, consider their value as a gift to CASA.

### **Benefits of a charitable lead trust:**

- Cost of a gift of life insurance is small compared to the leveraged benefit of the face amount of the policy.
- Transferring ownership of a policy to CASA removes the value of the insurance from your estate, reducing your estate tax liability.
- The cash value of your policy qualifies for an immediate income tax charitable deduction.
- Any future premiums you pay also qualify for an income tax charitable deduction.
- Potential to make a significant and lasting impact to a program area of your choosing.

For more information about gifting a life insurance policy to CASA, contact:

Anne Walp, Executive Director  
CASA Inc.  
741 Warren Avenue  
Portland, Maine 04101  
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## **VII. Gifts of Other Personal Property**

There are many other types of assets that can be used to make a gift to CASA. This can include artwork, boats, stamp collections, antiques, etc. We accept just about any asset.

Gifts of tangible personal property can be given through a bequest or as outright gift. If given outright, there are some important points to keep in mind:

- Gifts of personal property need to be evaluated on a case-by-case basis.
- Your charitable deduction is based on a qualified appraisal and whether the donated item can be kept by CASA and used in support of our mission. If the item is to be sold by CASA, your charitable deduction is limited to cost basis.
- To receive optimal tax treatment the property in question must be considered long-term appreciated property (held by the donor for more than one year).

For more information about gifting tangible personal property to CASA, contact:

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## **VIII. Gift of Stocks**

Most donors make gifts with checks or credit cards. But for many it is not the most advantageous way to give. A gift of stock, bonds, or mutual fund shares, if they have appreciated in value, usually has greater tax benefit to the donor than a gift of cash.

### **Why give appreciated securities?**

A gift of stock to CASA can benefit you as well. Gifts to CASA are tax deductible, if you itemize when filing your taxes. This is true for securities as well as cash gifts. Securities are deductible at the market value on the day of the gift. But the appreciated portion of securities is untaxed if given directly to the charity.

Example: If you bought shares of stock or a mutual fund for \$500 that are worth \$1,000 the day they are given, they have a cost to you of only \$500 for a charitable deduction of \$1,000, and you avoid paying capital gains tax on the appreciation.

Call, email or fax CASA (info is below) to notify us and begin the process. Please provide the following:

- Name of donor(s)

- Number of shares and name of security
- Name of brokerage firm and contact person at the firm
- Intended date of gift
- If known, specific gift purpose at CASA

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