



The information presented here is for general information and educational purposes only. It is not intended to be a substitute for personalized legal and tax advice about the topics discussed. Please contact a qualified legal or tax advisor to obtain professional advice tailored to your individual circumstances and goals.

Immediate Outright Gifts

Cash

Cash gifts are tax deductible, if the donor itemizes deductions. Up to 50 percent of adjusted gross income can be deducted in any one year. A donor claim excess deductions over the five tax years following your gift.

Matching Gifts

Donors are encouraged to contact their employer to take advantage of any matching gift programs offered. Having an employer match a gift leverages it to a higher level.

Appreciated Securities

A popular way to make a gift and earn some tax breaks is through a gift of appreciated securities. The IRS allows a deduction of the full value of this type of gift up to 30% of adjusted gross income. Deductions can be claimed over the five tax years following a gift. Moreover, a donor can also avoid capital gains tax on the transfer. This double benefit means the donor can leverage a larger donation by using appreciated securities rather than cash to make your gift.

Real Estate

Gifts of real estate may save thousands of dollars in income, estate, and capital gains taxes, while providing a substantial benefit to the Church. The Catholic Foundation can accept gifts of residential, commercial or undeveloped real estate. A charitable income tax deduction is based on the fair market value of the property, with no capital gains liability on the transfer. The donor is freed from paying real estate taxes, liability insurance and maintenance costs on the property.

Personal Property

Donors may opt to make gifts of personal property that has value. For example, a donor may choose to contribute artwork, antiques, jewelry, motor vehicles, equipment and other items to the Church. If considering such a gift, please call the Foundation first, as what you choose to donate may impact the amount of your charitable deduction.

Deferred Gifts

Bequests in Wills and Living Trusts

A charitable bequest is a gift given to the Church through a will or living trust. Charitable bequests can include anything of value in your estate such as cash, stock certificates, jewelry, real estate, antique furniture, etc. A charitable bequest or trust distribution is deductible for federal estate tax purposes, and there is no limit on the deduction an estate can claim. If the will or living trust already exists, a gift amendment can be made without rewriting the entire document. An attorney can prepare a codicil to the will that adds a new bequest to the Church. Similarly, he or she can prepare an amendment to your living trust to add the Church as a beneficiary.

Retirement Assets

When an estate is planned, it may seem natural to designate a family member as the beneficiary, and use other assets to make a charitable gift. However due to tax consequences of tax-deferred assets at death, using retirement assets to make a donation to the Church and leaving other assets to heirs can often provide the ability to leave more to heirs. Since the Church is a non-profit organization, it will not pay income tax on the distribution (nor will the gift be subject to estate tax). The entire amount comes to the Church and heirs may benefit from a reduced estate tax burden.

Life Insurance

There are two common ways to use life insurance to make a gift. First, policies for which the original purpose is no longer applicable (college education for a child who has graduated), can be given to the Church. When the policy is transferred, an immediate tax deduction is received. Upon death, the death benefit of the policy will be given to the Church. Second, new policies can be purchase and the Church named as owner and beneficiary of the policy. By naming the Church as both beneficiary and owner of the policy, all the premiums could be claimed as a charitable deduction. Upon the insured's death, the Church would receive an amount equal to the face value of the policy.

Charitable Remainder Trust

If seeking a way to make a charitable gift to the Church while retaining future regular income and also taking advantages of tax savings, a donor might consider a Charitable Remainder Trust. Trusts can be established with cash gifts, but more often consist of highly appreciated stock, real estate or closely held business interest. There are five types of charitable remainder trusts; each offers different advantages to the donor as well as the recipient.

For more information, contact us at:

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