



## *What Assets May I Give?*

Every donor's circumstances and goals are unique. Maine Community Foundation staff can work with you and your advisor to evaluate your options. Many kinds of personal assets can be converted into charitable resources. Some examples are described here.

### ***Cash***

The simplest gift is often cash, usually in the form of a check. We also accept gifts made online by credit card or by calling our Ellsworth office at (877) 700-6800. Gifts of cash enable you to claim a current tax deduction of up to 50 percent of adjusted gross income; contributions over that income limit can be carried forward for up to five subsequent years. *There is no minimum for gifts to existing funds. Gifts to create new funds must meet current new fund minimums.\**

### ***Publicly Traded Securities and Mutual Fund Shares***

You may be able to save on taxes when you contribute appreciated securities or mutual fund shares, which may allow you to be more charitable than you thought possible. You receive a double benefit: an immediate charitable deduction for the full fair market value of the donated assets and an exemption to any capital gains tax on the appreciation. The fair market value of contributed securities can be deducted up to 30 percent of your adjusted gross income. If the amount is larger than you can use in one year, the surplus can be carried over to up to five subsequent years. *There is no minimum for gifts to existing funds. Gifts to create new funds must meet current new fund minimums.\**

### ***Closely Held Stock***

As an owner of a closely held or family business, you may be considering the establishment of a family foundation. However, you may have discover that there are restrictions that apply to private foundations and closely held business interests.

A partnership with the Maine Community Foundation is a cost-effective way to maximize your philanthropic options while minimizing your tax liability. We can help pass ownership of your company to children or key employees while not straining available assets and liquidity. We can also help sell your company while minimizing estate taxes. On the family side, we can work with you and other family members to create a family philanthropic program using the assets of your business. *Suggested minimum proceeds or distributions: \$200,000*

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\* Please see our handout "Which Type of Fund is Right For You?" for more information on minimum fund establishment contributions.

### ***Limited Partnership Interests***

We can accept limited partnership interests, such as investment or business partnerships. Individuals holding their families' limited partnership interests may also consider contributing this type of asset. While donations of these and other more complicated assets require care, consideration, and planning, we have the flexibility and expertise to accept them in most cases.

*Suggested minimum proceeds or distributions: \$200,000*

### ***Real Estate***

Gifts of real estate may include a house, apartment building, farm, vacation home, commercial building, and income-producing or non-income-producing land. You can make an outright gift of real property now or through your estate. A gift of real estate that you have owned for more than a year entitles you to a tax deduction for the full fair market value of the property while allowing you to avoid paying capital gains tax. Gifts of real estate typically require certain procedural steps, including a site visit to the property, a qualified appraisal, a preliminary title report, and an environmental assessment. *Suggested minimum proceeds: \$200,000 (or \$100,000, if land only)*

### ***Life Estates***

You can benefit today from the future gift of a home or vacation home. You can continue to live in the home for life and enjoy a current income tax deduction. The foundation will ultimately sell the property and use the proceeds to support the charitable purposes you care about most. *Suggested minimum remainder interest: \$200,000*

### ***Life Insurance Policies***

Many people find that the protection offered by a life insurance policy is no longer needed later in life and decide to use it as a tool for charitable giving. The procedure is simple: you start by irrevocably assigning your insurance policy to the foundation and naming us as the beneficiary of the policy. You can make annual tax-deductible contributions to cover the policy's annual premium. If the policy is paid up, you will receive an immediate tax deduction in an amount equal to the policy's cash surrender value. *Suggested minimum face value: \$10,000*

### ***Retirement Plan Assets***

For a growing number of Americans, an Individual Retirement Account (IRA) may be their largest single asset, a nest egg to leave behind for the children's future. However, the legacy intended for your children or other heirs could amount to just **30 cents on the dollar** as a result of combined estate tax and income taxes on the IRA. Naming the foundation as the beneficiary of your IRA will waive both estate and income taxes and help create a permanent legacy in your honor. *No minimum for gifts to existing funds. Gifts to create new funds must meet current new fund minimums.\**

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### ***Personal Property***

You can use gifts of valuable items such as artwork, jewelry, or antiques to create a charitable legacy. However, to obtain a full, fair-market-value deduction for your gift of personal property, the items you give us must relate to our overall charitable purpose and functions. A gift of unrelated property, or a gift that you instruct us to liquidate immediately for cash, will return a deduction for just your cost basis in the assets. We will work with you and your advisors as you consider a personal property gift. *Suggested minimum proceeds: \$100,000*

### ***Assets of a Private Foundation***

Family or other private foundations may undergo many transitions over time, especially when leadership moves from one generation to the next. If the new trustees want to focus on making grants and would prefer to leave the administrative, investment, and regulatory functions to another entity, in many cases it is possible to terminate the private foundation and move the assets to the Maine Community Foundation. The trustees may retain their ability to direct grants to their areas of interests while foundation staff handle other administrative functions. *The suggested minimum is \$25,000 for a donor-advised fund or \$2,000,000 for a supporting organization.*