

Ouachita Children, Youth, and Family Services

# PLANNED GIVING GUIDE

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Building a Future for Children, Youth, and Families in Crisis



**OUACHITA**  
CHILDREN, YOUTH, &  
FAMILY SERVICES



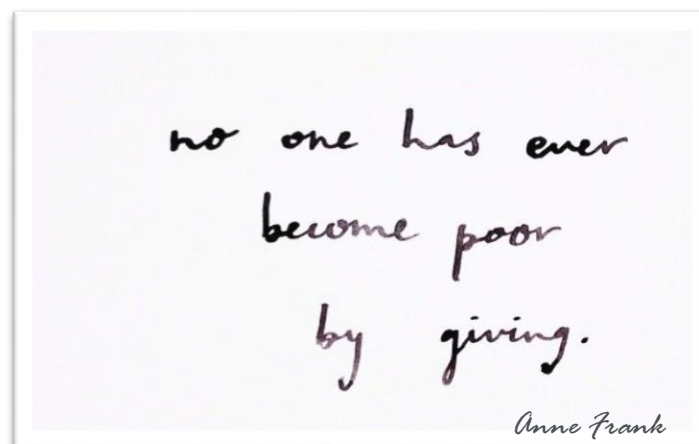
# Intro

Planned Giving is a charitable gift that you create from your accumulated resources to be given either during your lifetime or after your passing. This Planned Giving Guide will explain the various ways you can plan.

For over forty years Ouachita Children, Youth, and Family Services has provided both emergency shelter and support services for families who are facing some of the most difficult circumstances of their lives. We work diligently to provide the therapeutic support that builds minds, hearts, health, and a more hopeful future. The legacy you are building through Planned Giving to Ouachita Children, Youth, and Family Services provides the opportunity to rebuild lives.

The information contained in this Guide is meant to provide you with a basic understanding of Planned Giving options. It is not intended to be a complete reference for all the options you might want to consider nor does it constitute any legal or financial advice or expertise. In this process of Planned Giving, we encourage you to consult with your attorney and accountant to discuss your giving goals.

We take our stewardship of your legacy very seriously. We are governed by an independent board of directors who are tasked with dutiful financial oversight and governance. We are certified with COA - The Council on Accreditation - an international, independent, nonprofit, human service accrediting organization, and are audited annually by a Certified Public Accountant. Please let us know if we can assist you and be assured that we will do all we can to facilitate your gift planning.



# Deferred Gifts

## *How Your Legacy Lives On*

A deferred gift is a present decision to make a future gift, evidenced by a legal contract. The deferred giving plans you are making today will ensure that Ouachita Children, Youth, and Family Services has the resources needed to help children, youth, and families in crisis, tomorrow.

There are three common ways of making deferred gifts; bequests, retirement assets, and life insurance.

### **Bequest**

A bequest through a will is the simplest and most common planned gift. It can be an outright monetary bequest, a percentage of your estate, a percentage of the “rest, residue, and remainder” of your estate after a number of other bequests have been fulfilled, or a specific asset such as personal or real property. It could also be a contingent bequest, to be exercised only if some other intention is unable to be fulfilled - such as a name heir predeceasing you. You can have charitable bequests given for general purposes or to support specific projects or programs at Ouachita Children, Youth, and Family Services. You should always make your estate plan with the assistance of an attorney.

#### **Examples of bequest language:**

*“I give, devise, and bequeath to Ouachita Children, Youth, and Family Services, whose address is PO Box 1180, Hot Springs, AR 71901, the sum of \$\_\_\_\_\_, to be used for it’s general purposes.”*

*“I give, devise, and bequeath 10% of the rest, residue, and remainder of my estate to be Ouachita Children, Youth, and Family Services, whose address is PO Box 1180 Hot Springs, AR 71901, to be used for its outreach programs.”*

You can also make charitable gifts through the use of a codicil to your will, or refer to an instruction letter in the will itself. The instruction letter can be changed from time to time without the trouble and expense of rewriting the will. Your bequest to support Ouachita Children, Youth, and Family Services by giving away assets after you no longer need them is a living tribute to your compassion for children, youth, and families in crisis.

## **Retirement Assets**

Retirement funds are a valuable asset to many people and often overlooked as a source of charitable giving. Giving from a retirement plan or IRA can provide you with the important tax advantages. Since the money accumulated in these plans has not been taxed, there can be heavy taxes levied on any distribution, unless that distribution is to a nonprofit charity.

After you pass on, your retirement fund could also be subject to various taxes before being passed on to heirs. By naming Ouachita Children, Youth, and Family Services as a beneficiary of the remaining retirement fund assets, this can be avoided.

## **Life Insurance**

You may find you have some life insurance that you no longer need. “Whole” or “universal” life insurance has cash value and can be donated to Ouachita Children, Youth, and Family Services. You would receive a tax deduction for the replacement cost of the paid-up policy at the time of your donation, not the face value of the life insurance.

You may also choose to take out a life insurance policy designating Ouachita Children, Youth, and Family Services as a whole or partial successor beneficiary. If the policy requires continuing premium payments, those payments are tax deductible if the policy is “owned” by Ouachita Children, Youth, and Family Services, and payments must come from us.

You would make contributions to Ouachita Children, Youth, and Family Services in the amount that approximates the premium and we would pay that premium.

Ouachita Children, Youth, and Family Services may be designated as a full or partial beneficiary of any life insurance policy.

# Immediate Gifts

## *How Your Impact Lives Now*

Immediate gifts are assets donated to Ouachita Children, Youth, and Family Services that are put to use to serve those in crisis as soon as they are received, without delay. There are four common ways of making immediate gifts: cash, stock and securities, real estate, and tangible personal property.

### **Cash**

Gifts of cash are routinely used to pay pledges and make special gifts. Checks should be made payable to Ouachita Children, Youth, and Family Services (or OCYFS). The date of the gift that of the US Postal Services postmark on the envelope in which you send the check. If another carrier is used, it is the date the envelope or package is received by Ouachita Children, Youth, and Family Services.

### **Stocks and Securities**

Many donors use stocks, bonds, or mutual funds to make gifts to Ouachita Children, Youth, and Family Services. If they have increased in value since you obtained them, there can be significant tax advantages. Two such advantages include that your income tax deduction is usually based on the full market value of the securities on the date of the transfer, and that you can often avoid paying capital gains taxes that would have been due if those securities had been sold instead of donated to a nonprofit charity.

With securities that have diminished in value since you obtained them, it may be best to sell the stock, claim the capital loss as a tax deduction, and donate the resulting cash to Ouachita Children, Youth, and Family Services. Always check with your accountant prior to taking such action.

If the securities are held in account at a financial institution but accounted for as belonging to you, instruct your broker by letter to transfer “###” shares of “ZZZ” stock to an account in the name of Ouachita Children, Youth, and Family Services. The date of a gift of securities is the date on which the transfer of ownership takes place.

If you have an actual certificate for the stock, bond, or mutual fund, this should be sent to Ouachita Children, Youth, and Family Services in one envelope. To ensure security, do not sign the stock certificate. In a separate envelope, enclose a signed stock power guaranteed by a bank officer. Once again, for security purposes, do not complete the description of the securities.

The date of the gift is the date of the postmark on the envelope containing the stock power. If another carrier is used, it is the date on which Ouachita Children, Youth, and Family Services receives the envelope or package.

The IRS calculates the value of the gift as the average of the highest and lowest selling prices of the securities on the gift date.

## **Real Estate**

Some people have multiple homes or properties, or their primary residence may no longer be practical for them. Giving real estate to Ouachita Children, Youth, and Family Services is one way to make a substantial gift with an asset that might otherwise be underutilized.

To make a gift of real estate, whether or not it includes a dwelling or other structures, the property should be free of financial encumbrances such as mortgages or liens. It should be readily marketable, and you should be aware that Ouachita Children, Youth, and Family Services may sell the property after it is given.

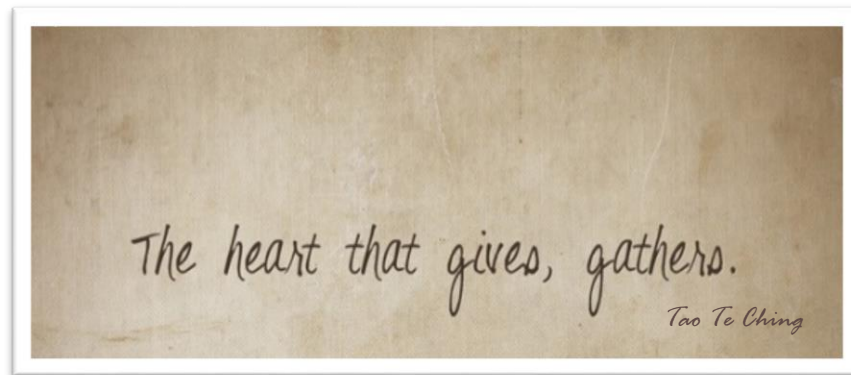
Ouachita Children, Youth, and Family Services will want to conduct an environmental assessment to ensure that there are no hazardous waste conditions or other concerns that could become a liability to the new owner. Donors of real estate usually pay for a property survey, appraisal, the environmental assessment, and the preparation of the deed transferring the property. The gift date is the date of the closing.

## **Tangible Personal Property**

You may wish to donate tangible personal property -assets such as jewelry, vehicles, paintings, or antiques - to Ouachita Children, Youth, and Family Services. As with real estate, you will need to provide a bona-fide appraisal of the items by a qualified appraiser.

An attorney will create a deed of gift, and a closing will take place at which time the item is delivered and the documents are executed. The gift date is the date on which the closing takes place.

For your tax deduction to be based on the appraised market value of the asset, the item must have a particular usefulness to Ouachita Children, Youth, and Family Services and related to our purposes. The tax deduction for a gift of personal property that is not related to our mission is deductible at a cost basis, only. Be sure to consult with your tax advisors for the appropriate evaluation and reporting requirements.





# When, How, and Why to Plan a Gift

	Cash	Securities	Real Estate	Personal Property	Bequest	Retirement Plan, IRS	Life Insurance
How does it work?	Give Cash	Give appreciated securities	Give appreciated real estate	Give artwork, collectibles, equipment, other types of tangible property	Plan now, give later	Name OCYFS as beneficiary of the plan	Give old or new policy with OCYFS as beneficiary and owner
What do you want to do?	Maximize the deduction ; minimize the gift details	Avoid tax on capital gains; afford a larger gift to OCYFS	Make a substantial gift, avoid capital gains tax, receive a large income tax deduction	Put assets you no longer need or can maintain to good use	Make a gift that costs nothing during your lifetime	Avoid double taxation at death; give tax-advantaged assets to heirs	Make a large gift at little cost
How do you make the gift?	Write a check or give online now	Contribute long-term appreciate stock or other marketable securities	Donate the property to OCYFS	Donate tangible personal property related to OCYFS's tax-exempt function	Name OCYFS in your will or living trust by designating a specific amount or a share of the residue	Name OCYFS as whole or partial successor beneficiary on your plan's form	Donate a paid-up policy you no longer need or take out a new policy

# Donor Benefits

	Cash	Securities	Real Estate	Personal Property	Bequest	Retirement Plan, IRS	Life Insurance
Reduce Estate Tax	Removes taxable assets from the estate	Removes taxable assets from the estate	Removes taxable assets from the estate	Removes taxable assets from the estate	Donation exempt from federal estate tax	Donation exempt from federal estate and income tax	Donation exempt from federal estate tax
Reduce Income Tax	Immediate deduction for full value	Immediate deduction for full value	Immediate deduction for full value	Immediate deduction for full value if OCYFS can use the asset		Your heirs will avoid income tax	Current income tax deductions for paid-up policy. Future deductions for premium payments on new policy
Reduce or Eliminate Capital Gains		Complete avoidance	Complete avoidance	Complete avoidance	Complete avoidance		
Give an Asset but Keep Enjoying It					Control of assets during lifetime	Continue to take withdrawals from plan during your lifetime	
More		Still like the stock? Use your cash to buy at today's price and lock in a higher cost basis	Coordinate with OCYFS before making the donation	Can be used to make a significant gift without cash outlay	Make a substantial gift when you no longer need the asset	Often overlooked and easily given	Simple to set up; small financial commitment for large gift
How Does it Benefit OCYFS?	Delivers immediate benefits	Delivers immediate benefits	Delivers immediate benefits	Delivers immediate benefits	Ensures our future strength	Ensures our future strength	Ensures our future strength

# 25 Estate Documents You Need to Put in One Place

## The Essentials

- Will
- Letter of instructions
- Trust documents
- Financial Power of Attorney (POA)

## Marriage and Divorce

- Marriage License
- Divorce Papers
- Military Documents (DD214)

## Health Care Confidential

- Personal and Family Medical History
- Durable Health Care Power of Attorney
- Authorization to Release Health Care Information
- Living Will
- Do Not Resuscitate Order

## Proof of Ownership

- Housing, Land, and Cemetery Deeds
- Proof of Loans Made and Debts Owed
- Vehicle Titles
- Stock Certificates, Savings Bonds, and Brokerage Accounts
- Partnership and Corporate Operating Agreements
- Tax Returns

## Life Insurance and Retirement

- Life Insurance Policies
- Individual Retirement Accounts
- 401(k) Accounts and Pension Documents
- Annuity Contracts

## Bank and Other Accounts

- List of Accounts
- List of Usernames and Passwords
- List of Safe-Deposit Boxes



# OUACHITA

CHILDREN, YOUTH, &  
FAMILY SERVICES

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