



Your Legacy

A guide to planned giving



Provide for your family and future generations.

Philanthropy is not just for the wealthy. In fact, studies show that the largest percentage of philanthropists come from modest means. Philanthropy is simply the act of giving.

Leaving a bequest can be one of the most significant gifts you give. It does not affect your current financial picture, and helps to provide long term sustainability to a cause that's close to your values.

The Community Foundation of NCW offers several ways to leave a legacy that will enable you to provide for your family and still make a difference for generations to come.

Ensure your giving can continue, forever.

Just as an orchardist plants trees to grow fruit each year, your gift is “planted” into a permanent, charitable fund that is endowed and invested for growth. Each year, a percentage of your fund is disbursed to the charities and causes of your choice. As your fund grows over time, those annual gifts increase, providing a sustainable gift to support the organizations you care about - forever.



Legacy Gift (1998)
\$970,000



Gifts Disbursed
\$380,000



Today's Balance
\$1.2 Million

Example of an actual Legacy Gift and its growth over time



BEQUEST

A Bequest is a legacy, the act of giving or leaving something by will. The easiest legacy giving vehicle.

How it works:

You work with a legal professional (such as an attorney) to identify the charity or charities you wish to support after your death with your assets. You determine a specific dollar amount, a percentage of your estate, or specific asset (such as real estate) that you wish to donate - these details are documented in your will or estate plan. After your lifetime, a fund is established at the Foundation in your name (or any name you choose) that disburses the assets annually to the charities you have selected - forever.

BEQUEST DONOR STORY

Jim and Kay decided that they wanted to leave a lasting legacy to the community where they raised a family and made their living.

Having volunteered and donated to numerous causes and organizations throughout their lifetime, Jim and Kay decided that leaving an unrestricted bequest to the Community Foundation would be the best way to ensure that some of their favorite causes and charities would be supported, and that new ones could also benefit from their gift.

Because of their bequest, the Foundation is able to award 30% more in grants to nonprofits across the region through the Regional Impact Grant, an annual competitive grant which now awards over \$200,000 to 25 nonprofits each year.



RETAINED LIFE ESTATE

A Retained Life Estate is the transfer of real property to charity, where the donor is permitted to live, or have exclusive use, of the property for life.

How it works:

Your personal residence (primary or vacation home) and farmland are eligible for this charitable gift vehicle. You receive an immediate tax deduction and the asset is removed from your estate. During your lifetime, you continue to enjoy exclusive use of the property and remain responsible for taxes, insurance, and maintenance during usage. After your lifetime, the remaining asset value is placed into a fund at the Foundation and distributed annually to charities of your choice.

LIFE ESTATE DONOR STORY

Chris and Mary have a second home at Lake Chelan that has been in the family for decades. Their children have all moved to different states and rarely use the vacation home.

Chris and Mary still love to spend summers there, but would love to make a charitable gift and use the current income tax deduction, as Chris is nearing retirement.

Using a retained life estate gift, Chris and Mary received a deduction for the value of their second home to offset their income tax and can continue to enjoy the property as long as they wish. Once the property is sold, Chris and Mary will establish a fund at the Foundation to benefit several of their favorite charities, forever!



IRA ROLLOVER

An IRA Rollover is a special provision that allows taxpayers who are 70½ or older to transfer up to \$100,000 annually from their IRA accounts directly to charity without having to recognize the distribution as income.

How it works:

You contact your IRA Trustee to request that your Required Minimum Distribution (or more) be transferred from your IRA to the Foundation. The Trustee makes the transaction, and you avoid having the distribution amount captured as income (instead of a charitable tax deduction). IRA Rollover gifts to Donor Advised Funds are not permitted by law; however, they can be used to open other types of funds and/or be applied to any other type of fund.

IRA ROLLOVER DONOR STORY

Pat and Judy are dedicated to providing annual gifts to their church and alma mater.

They each have an IRA that they are required to take a minimum distribution from each year, which increases their tax burden.

Pat and Judy established a Designated Fund at the Foundation to benefit their church and alma mater and used their Required Minimum Distribution to start the fund.

Now each year the gifts they would have made are done automatically, and will continue supporting those organizations in perpetuity!



LIFE INSURANCE BEQUEST

A Life Insurance Bequest is used as a charitable gift when a donor makes an absolute gift of a currently owned policy, donates a new life policy, or has the charity purchase a policy on the donor's life and the donor pays the premium.

How it works:

There are many other ways to utilize life insurance to customize your needs and charitable interests. Working with a charitable gift planner at CFNCW can help determine opportunities where a sizable gift can be made and still provide for heirs. Each of these gifts provides a current income tax deduction. Naming the charity as the primary beneficiary of an existing or new policy does not yield a current tax deduction, but does provide an estate tax deduction.

LIFE INSURANCE DONOR STORY

Jim and Cathy wanted to honor the life of Jim's sister who passed away at a young age.

As a young couple, they didn't have the financial capital for an outright gift, nor did they have many assets. But when they found out they could use Life Insurance to establish a gift, they contacted the Community Foundation. Working with their financial planner and the Foundation, they opted to purchase a life insurance policy on themselves. When they pay the premium each year, they receive a charitable deduction. After their lifetime, a significant gift will fund a Scholarship in Jim's sister's name and create a lasting legacy that will benefit local students for generations to come.

A composite image featuring a scenic view of a lake with a small island and a cabin, and a man smiling in the foreground. The text 'CHARITABLE REMAINDER TRUST' is overlaid on the left side of the image.

CHARITABLE REMAINDER TRUST

A Charitable Remainder Trust is an irrevocable trust that generates a stream of income for a named beneficiary. You can name one or more beneficiaries, or a term of years to receive the income benefits. After their lifetime or term, the remainder is disbursed annually to charities of your choice.

How it works:

The trust is a separate legal entity and must be created by an attorney. A Trustee is selected to ensure that the beneficiary payments are made per the agreement, assets are invested and monitored, and annual tax returns are completed. Appreciated assets are contributed to the trust and are often liquidated to ensure beneficiary payments can be provided. An immediate income tax deduction is received.

CRUT DONOR STORY

Jon has been investing in rental properties for many years, spending his free time improving them. As he neared retirement, he wanted to spend more time traveling and less time as a landlord, yet he still needed income that his rentals provided. An avid supporter of several charities, Jon is especially dedicated to his church and a local youth organization where he has spent many hours volunteering at the youth camp and enjoys the fellowship and inspiration his church family provides. Jon wanted to be sure that he can continue financially supporting these organizations during retirement.

A visit to the Community Foundation and his attorney provided a solution: Jon donated the investment property into a CRUT, avoided capital gains, and continues to receive an income. After his lifetime, the remainder of the trust will fund his church and his favorite youth organization. Jon loves knowing that even after he is gone, he will impact the lives of kids and families in a positive way, forever!

A close-up photograph of a person's hands writing in a spiral-bound notebook. The person is wearing a blue cardigan over a white shirt. A white mug is on the desk to the left. The background is blurred, showing a desk lamp and other office items.

We make giving easy.

- 1** Make a list of the organizations that you want to support. They must be a 501(c)(3) nonprofit organization, church, school, or public agency.
- 2** Contact your attorney and let them know you want to Give 10 and update your will to include a charitable gift. If you don't have an attorney, we have a list of local attorneys on our website who work with charitable clients or give us a call.
- 3** Contact the Community Foundation of NCW to set up a private consultation to discuss your charitable interests and options. We can also work directly with you and your attorney, accountant, or financial advisor.



**Our mission is to
grow, protect, and
connect charitable
gifts in support of
strong communities.**

The Community Foundation of NCW is a tax-exempt philanthropic organization that helps individuals, families, businesses, and agencies support charitable causes that benefit Chelan, Douglas, and Okanogan counties.

Your investment not only supports the charities you care about, it also helps to build a permanent endowment for our region to enhance our future, preserve our past, and improve quality of life for all - forever.

(509) 663-7716 | **www.cfncw.org** | Tax ID 91-1349486
9 S Wenatchee Ave, Wenatchee WA 98801

Anyone can Give10

Give10 is a philanthropic campaign initiated by the Community Foundation of NCW to inspire everyone in our region to leave 10% of their Will or Estate to support charitable causes. When you Give 10, you can provide for your family and also leave a lasting gift that will continue to make an impact for many generations to come.

