



Your Guide to Year-End Giving

Five Ways to Benefit From a Year-End Gift to Smile Train

The final months of the year are traditionally considered the season of giving. In addition to the gifts we give to the important people in our lives, this season of generosity is also the prime time to show support for the causes we love. When you support Smile Train this year, not only will children and adults living with a cleft benefit, but so will you.

Few things in life offer more personal satisfaction than helping others. When you make a gift at year-end to Smile Train, not only will you offer life-saving cleft care, but you can also receive important tax benefits. Here is what you need to know about making charitable gifts before the year comes to a close.

Explore Your Options

Although there may still be time to make several different types of charitable gifts, based on your unique situation and tax considerations, some gift types may be more practical than others. Following are a number of popular options.

1 Put an insurance policy to good use.

An old policy you no longer need can make a big difference in the lives of children and adults living with a cleft. To qualify as a deductible gift, Smile Train must become the policy owner. For most types of insurance policies, your tax deduction is usually the cost basis or the fair market value of the policy — whichever is less.

It is more common for policies to still require premiums to be paid. When you donate these, the future premiums may be tax-deductible as you pay them.

2 Earn income from your gift.

Gifts such as a charitable remainder trust or a charitable gift

annuity provide you, or a beneficiary of your choice, with payments for life or a period of years, and Smile Train with support thereafter.

If you use appreciated securities to fund the gift, you may qualify for an income tax deduction based, in part, on the charitable portion of the securities' full value, in addition to eliminating up-front capital gains tax.

3 Avoid the hassles and costs associated with selling real estate.

Like stock, if you try to sell appreciated property, you will be subject to capital gains taxes on the appreciation. By donating the property to Smile Train, you can enjoy tax savings and relieve yourself from the hassles of selling or maintaining it.

4 Save taxes on appreciated stock.

When you donate stocks to Smile Train that are worth more than what you originally paid for them, you can claim deductions for their full fair market value and eliminate any tax on the appreciation.

5 Make an immediate impact.

Cash is an easy way to give each year. You can receive an income tax charitable deduction for the full value of the gift, up to 100 percent of your adjusted gross income. If you write a check for less than \$250, a copy of the check will suffice as a record of the gift. You should obtain a receipt for gifts of \$250 or more.

Why Timing Matters

To qualify for a tax benefit (when you itemize deductions on your income tax return), you must make your gift by December 31. The gift date — the date used for tax purposes — is the day you transfer control of the asset. Here are the gift dates by type.

Life insurance — The date signed on paperwork transferring ownership to our organization, assuming you properly forward the form on to the insurance company, is the gift date.

Life income gifts — The gift date depends on the type of asset used to fund the life income gift. Contact us for details.

Real estate — The day you deliver the signed deed to us is the date of the gift. If your state law requires recording of the deed to fulfill the title, then the date of recording is the gift date.

Securities — If securities are electronically transferred to us, the gift date is typically the day the securities enter our account. If securities are mailed, the mailing date is the gift date. It is important to send, by registered or certified mail, the unsigned certificates in a separate envelope from the signed stock power and letter of intent.

Checks — The postmark date is the date of the gift.

WE RECOMMEND that you discuss your charitable gift plans with your tax or legal advisors. You can also contact us. We can help ensure that your gift plans meet your year-end goals.



CONTACT ME

We're here to answer any questions you might have and provide you with helpful tips about getting the most from your gift.

Melanie Buhrmaster
Vice President, Development

PHONE:
636.829.0993

EMAIL:
plannedgiving@smiletrain.org



646.829.0993
plannedgiving@smiletrain.org

633 Third Ave., 9th Floor
New York, NY 10017
smiletrain.org

Information contained herein was accurate at the time of upload. The information in this publication is not intended as legal or tax advice. For such advice, please consult an attorney or tax advisor. Figures cited in any examples are for illustrative purposes only. References to tax rates include federal taxes only and are subject to change. State law may further impact your individual results.

KRB22 © The Stelter Company