

“Each one, as a good manager of God’s different gifts, must use for the good of others the special gift he has received from God”

(1 Peter 4:10)

*The examples and information in this brochure are for illustrative and educational purposes only and should not be considered tax or legal advice. **Please consult with your tax and/or legal advisors about proceeding with your estate plan.***

For more information, call or write the Diocese of Crookston Catholic Community Foundation Planned Giving Officer.

**Planned Giving Officer
Diocese of Crookston
Catholic Community Foundation
P. O. Box 610
Crookston, MN 56716-0610**

**Office 218 – 281 – 4533
Fax 218 – 281 – 3328**

Email: ccf@crookston.org



**LEAVE A LEGACY OF
FAITH
A Gift that Nurtures the
Diocese of Crookston**

**Catholic Community
Foundation**

Jim Brown receives a letter from the Catholic Community Foundation urging him to provide financial support for the ongoing work of the organization. Generous man that he is, Jim immediately pulls out his checkbook and writes a check for \$10,000. He thinks to himself: "I'll not only help the Foundation, I'll receive a nice income tax charitable deduction as well."

Assuming Jim submits an itemized tax return, falls in the 31 percent tax bracket and is able to use all of his charitable deduction, he can look forward to saving \$3,100 in taxes. To put it another way, his gift to Foundation will cost him only \$6,900.

Jim's friend, Mary Smith, also receives the letter from the Foundation. But instead of writing a check, she calls her stockbroker for an update on her portfolio. She learns that one publicly traded stock, XYZ Company, has appreciated significantly from when she bought it about 15 months ago for \$10 per share. It is now trading at \$20. And since she owns 500 shares, she has an appreciated asset worth \$10,000 -- twice what she paid for it.

Mary has a decision to make. Should she tell the broker to sell the stock and send her a check in the mail (which she would then use to make a gift to the Foundation) or should she have the broker transfer the stock to the Foundation account? In other words, should she give cash or stock? Mary chose the stock answer.

"I want to make a gift of this stock to the Foundation" she says. Mary signs the stock power and has signature guaranteed by a broker or bank and delivers stock power along with the unsigned stock certificate to the Foundation.

Consider the wisdom of Mary Smith. Instead of selling the stock, paying the required capital gains tax on the appreciation and giving what's left to the Foundation, she makes a direct gift of the stock. In so doing, she bypasses the capital gains tax entirely. She knows that Catholic Community Foundation is a qualified charitable organization and that it can sell the stock without tax consequences.

Let's take an even closer look. Mary paid \$5,000 for the stock. However, she receives an income tax charitable deduction for a gift of \$10,000. And since, like Jim, she is in the 31 percent income tax bracket, she will save \$3,100 in taxes, assuming of course, she is able to use all of the deduction.

In short, it costs Jim \$6,900 (\$10,000 less \$3,100 income tax savings) to make a gift of \$10,000, while it costs Mary only \$5,500 (\$10,000 less \$1,400 capital gains savings at 28 percent less \$3,100 income tax savings) to make a \$10,000 gift.

No matter what tax bracket you're in, making gifts with appreciated stock usually makes good sense. **If you transfer stock to the Foundation you are asked to send the stock power in one envelope and stock certificates in another envelope.** When both are received by the Foundation we will then sell them. You will need to direct the transfer agent to register the shares of stock to be transferred in the name of **The Diocese of Crookston Catholic Community Foundation.**

Leave a Legacy of Faith