The Adirondack Community Trust has become the dependable resource for donors and their advisors as they search for ways to give back. The keys to our success are flexibility in the variety of tax-effective ways donors can make a charitable gift, and our focus on the Adirondack region.

Do you have a cause that you care deeply about, perhaps increasing educational opportunities for young people, land conservation, or the arts? Perhaps a favorite organization — hospital, youth center or local library, or all of the above? ACT can help you.

IF YOU ARE …

- Drafting a will and working on your estate planning
- Seeking a way to generate extra income for yourself or family members
- Selling or transferring a business, real estate holdings, stock or other highly appreciated assets

Then charitable gift planning can help you make your community and its organizations stronger while preserving personal, family or business wealth. This pamphlet offers examples of giving options and we encourage you to contact our office for more information.
CHARITABLE BEQUEST

You may wish to remember one or more nonprofit organizations in your will and the Adirondack Community Trust can be an excellent partner. A charitable bequest is anything you give or leave to a nonprofit organization from your estate through a will or a “living” trust. An estate is any property, money or personal belongings you may have at the time of your death. Most people leave an estate when they die, even though they may not have a great deal of wealth. *Even an individual with a small estate can arrange to leave a charitable bequest.*

There are several ways to leave a charitable bequest. One simple approach is to use direct language in your will that names ACT as the beneficiary of the assets you wish to gift. ACT can provide sample language.

**These assets may include:**

- A specific cash dollar amount, percentage of your estate or assets left after providing for your family.
- Financial investments, such as stocks, bonds or certificates of deposit.
- Something you own, such as a car, home, art or jewelry.

Using a simple fund agreement, you indicate how you want the potential gift to be used: to support a specific or group of nonprofits, or to create an advised fund with your children as advisors. The fund agreement may be drawn up without making a contribution and does not obligate you in any way. The donor, of course, may change the fund agreement at any time, without having to pay for changing your will!

Another simple tax efficient way to leave a charitable bequest is to designate ACT as beneficiary on your insurance policy or retirement account, such as a 401(k) or IRA. If you have an existing policy or account, ask the administrator of your plan for a Change of Beneficiary form. Naming ACT as beneficiary allows you to avoid both income and estate taxation entirely.

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“The only thing you take with you when you’re gone is what you leave behind.” — *John Allston*

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**Adirondack Legacy Society**

Our region is already the beneficiary of hundreds of gifts entrusted to ACT by generous people. Sometimes such gifts go unrecognized because they come at the end of the donor’s life. In an effort to recognize these thoughtful people during their lifetime, we established The Adirondack Legacy Society, a program that enables us to acknowledge this generosity and learn more about the philanthropic interests of these donors. There are, however, some individuals who for various reasons prefer to remain anonymous. We will respect that preference and in no way betray that confidence.
CHARITABLE REMAINDER TRUST

A charitable remainder trust allows you to transfer highly appreciated assets into a trust. The trust will provide you and/or other beneficiaries you select with income for your lifetime or for a period of time not to exceed 20 years. The payout can be specified, but must be at least 5% of the value of the assets in the trust. At the end of the trust’s term, the balance is transferred to ACT for the charitable purposes you have designated.

A charitable remainder trust can help you to:
• Offset or avoid capital gains.
• Obtain an added income stream.
• Receive income tax benefits.
• Ability to choose the trustee
• Make a meaningful community impact.

EXAMPLE: Ken and Mary Lewis have a lakeside cottage that has been in the family for generations. They rarely use it now and the property taxes are burdensome. They are looking for added income in order to travel more, but they also want to find a way to support an Adirondack cause they care about deeply. Ken and Mary decide to establish a charitable remainder trust. They fund the trust with the cottage on the lake, appraised at $500,000. When the cottage is sold, Ken and Mary will be paid income from the trust annually for life. This gift of the cottage into the trust will avoid capital gains taxes for them upon its sale. It will also entitle them to a significant charitable deduction in the year they fund the trust, which they can use to offset other tax liabilities. For more information, see the Quick Reference chart on the next page.

DONOR ADVISED FUND

A donor advised fund with the Adirondack Community Trust enables you to donate cash, stock, real estate or other assets to create either a permanent or pass through fund. You can designate a broad purpose for your fund or specify a field of interest. You may name family members and others to join you in advising ACT on how the income or principal from your fund should be distributed over time. You may also elect to remain anonymous if you so choose.

With a donor advised fund you may:
• Create a source of charitable support for the causes you believe in.
• Gain immediate income tax benefits.
• Create a family philanthropy tradition.
• Allow family involvement after your death

EXAMPLE: Joan Douglas wants to establish a fund to honor her father’s memory and to involve her children in philanthropy. She donates $200,000 to ACT and creates the Douglas Family Fund. She names her children, Max, 19, and Laura, 22, as fund advisors. Each year, the Douglas family works with ACT staff to make grants to the most promising community initiatives that support the purpose of the Douglas Family Fund. Joan receives an income tax deduction in the year of her original donation in the full amount of her gift and may add to her fund over time if she so chooses. Joan may also choose to designate a bequest in her will to be added to this fund.

1 Tax deduction may be up to 50% of adjusted gross income (AGI) for a cash gift, or up to 30% of AGI with a gift of stock of real property. One year’s excess donation can be carried forward for up to five years.
## Charitable Trusts Quick Reference

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<thead>
<tr>
<th>Type</th>
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<th>Charitable Lead Annuity Trust (CLAT)</th>
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</thead>
<tbody>
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<td><strong>Set Up By</strong></td>
<td>Must have involvement of Professional Advisor.</td>
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<tr>
<td><strong>Definition</strong></td>
<td>Most popular and flexible life income plan; cash, securities, real property or other assets are transferred into a trust. Trustee manages trust assets &amp; pays beneficiaries a percentage of the assets of the trust valued January 1st of each year. Payments may be for life or a term of years. When trust terminates, remaining assets in trust are transferred to ACT for desired charity.</td>
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<td>Viewed as opposite of a charitable remainder trust. Donor transfers property to lead trust, which pays a percentage of the value of trust assets, usually for a term of years, to an ACT fund. At the end of trust term, remaining assets and any growth realized are passed to donor’s heirs. One of the few transfer devices currently used that can discount the value of original assets and result in little or no taxes. At the same time, charitable desires are met.</td>
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<td><strong>Tax Benefits</strong></td>
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<td>No income tax deduction when created but income earned in trust is not attributed to you. Trust is taxed according to trust rates. Gift or estate tax is discounted and any growth is passed to heirs free of gift and estate taxes.</td>
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<td><strong>Best to Use When</strong></td>
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