



Eastern Florida
STATE COLLEGE

EF
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Gift Planning Guide



“I have for years supported BCC, and I am pleased to make this pledge to Eastern Florida State College as I know it will benefit the college and students who attend for years to come.”

B.W. Simpkins

Methods of Giving to Eastern Florida State College

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Cash

> Simple with immediate impact



Benefits

- ➔ Cash is the easiest gift to make.
- ➔ Cash gifts go straight to work supporting the programs that are important to you.
- ➔ Cash gifts may be combined with other techniques described in this guide to leverage the impact of your gift.

Did You Know?

- ➔ EFSC accepts checks and wired funds. Or you can contribute online using a credit card at easternflorida.edu/foundation/.
- ➔ Cash gifts provide the maximum charitable income tax deduction available under federal tax laws. For cash gifts, you can claim a deduction up to 50 percent of your adjusted gross income, with any excess balance carried forward for up to five years.

Appreciated Securities



> Minimize tax and maximize gift

Benefits

- ➔ Giving appreciated securities - stocks and bonds - can be more tax efficient than giving cash.

HERE'S WHY:

- ➔ If you make a gift of securities directly to EFSC, you will receive an income tax deduction - and gift credit EFSC - for the full market value, without paying capital gains tax.
- ➔ If you were to sell these securities before making the gift, you would have to pay tax on any capital gains.

Did You Know?

- ➔ If you own securities in a brokerage account these shares can easily be electronically transferred to EFSC. For more information, contact EFSC's Foundation Office at 321-433-7055.
- ➔ In most cases, EFSC will promptly sell gifted securities that are publicly traded and apply the cash toward the purpose you designate.
- ➔ Closely held stock and other securities that are not publicly traded work best when there is a mechanism for EFSC to sell the gifted interest to other stakeholders or the corporation itself. For these gifts, the donor must usually obtain an appraisal to claim a tax deduction.

Retirement Plan Assets

> Avoid double taxation



Benefits

- ➔ Retirement accounts such as IRAs and 401(k) and 403(b) plans can be subject to double taxation - ordinary income and estate tax - meaning that more than 60 percent can go to taxes if left to your heirs.
- ➔ Retirement plan assets left to EFSC will transfer tax-free.
- ➔ In planning your estate, consider leaving EFSC your retirement plan assets, and leave more favorable taxed assets to your family.

Did You Know?

- ➔ Most retirement accounts allow the owner to select beneficiaries to receive the plan assets remaining at death. To designate EFSC as a beneficiary, contact the account administrator.
- ➔ Lifetime withdrawals, even for charitable gifts, are typically treated as taxable income. Proposed changes to federal tax law may allow for future tax-free distributions made directly to EFSC. Please check EFSC's Foundation Office for up-to-date information.

Charitable Lead Trust



> A valuable estate planning tool

Benefits

- ➔ A Charitable Lead Trust can greatly reduce or eliminate gift or estate tax on trust assets passing to family members.
- ➔ A Charitable Lead Trust makes annual payments to EFSC for a period of time set by the donor then distributes the remaining assets to the donor's family or other named beneficiaries.
- ➔ This structure provides a tax-advantaged method of supporting EFSC for a set number of years, with a potentially significant future tax-free distribution to family and other heirs.

Did You Know?

- ➔ A Charitable Lead Trust is complex in nature and must be carefully reviewed by the donor's advisers to ensure that it is compatible with their entire estate plan.

Life Income Gifts

> Make a gift and receive income for life

CHARITABLE REMAINDER TRUST (CRT)

Benefits

- ➔ A CRT pays individual beneficiaries an annual amount for their lives or a fixed term of up to 20 years.
- ➔ Donors who create a CRT can claim an income tax deduction that represents the present value of the eventual gift to EFSC.
- ➔ When the CRT ends, the remaining assets are distributed to EFSC.

Did You Know?

- ➔ Life income beneficiaries can be the donor, family members or others.
- ➔ The trust principal is normally invested for a total return and grows tax free. It can be invested in a variety of diversified portfolios, including EFSC's endowment.
- ➔ An Annuity Trust makes a fixed annual payment and a Unitrust makes a variable annual payment.
- ➔ Unitrusts are revalued annually, and if the principal in the trust appreciates payments will be correspondingly larger. But there's a risk. If the principal depreciates payments will be smaller.

CHARITABLE GIFT ANNUITY

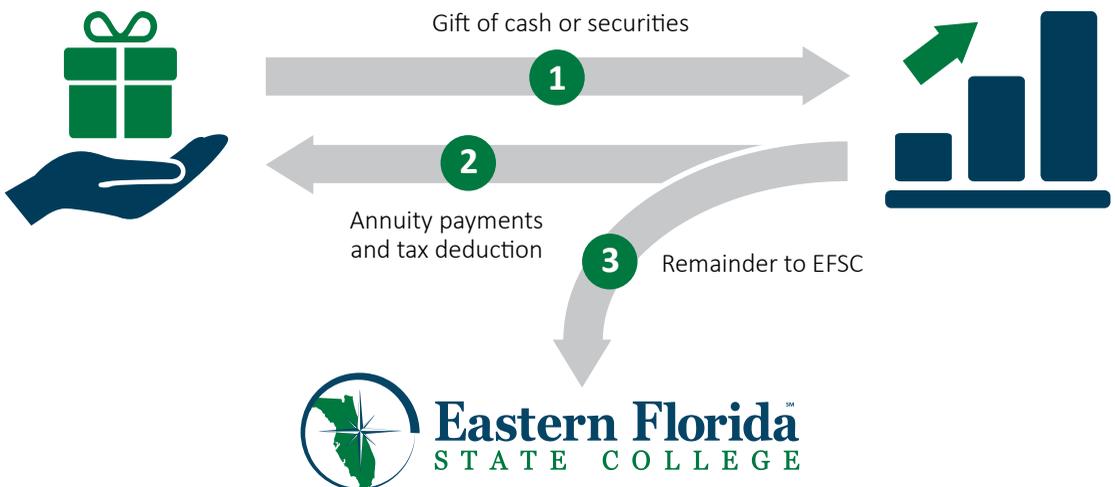
Benefits

- ➔ In exchange for your gift EFSC promises to make lifetime annuity payments to one or two annuitants.
- ➔ The contractual obligation is backed by the EFSC Foundation, Inc., making this a very secure source of future income.
- ➔ After the death of the last annuitant, the balance of the remaining gift will be used by EFSC for the purpose you've designated.

Did You Know?

- ➔ Donors receive an income tax deduction based on the fair market value of the assets contributed less the present value of the future annuity payments.
- ➔ Payments to annuitants are generally partly taxable as ordinary income and capital gain (depending on the gift asset), and a portion is usually treated as tax-free return of principal.

How it works



Real Estate

> We support all types of gifts

OUTRIGHT GIFTS

Benefits

- ➔ Receive a charitable income tax deduction for the full fair market value of the property.
- ➔ Avoid capital gains tax on appreciation.
- ➔ Transfer to EFSC the burden and expense of managing and selling your property.

Did You Know?

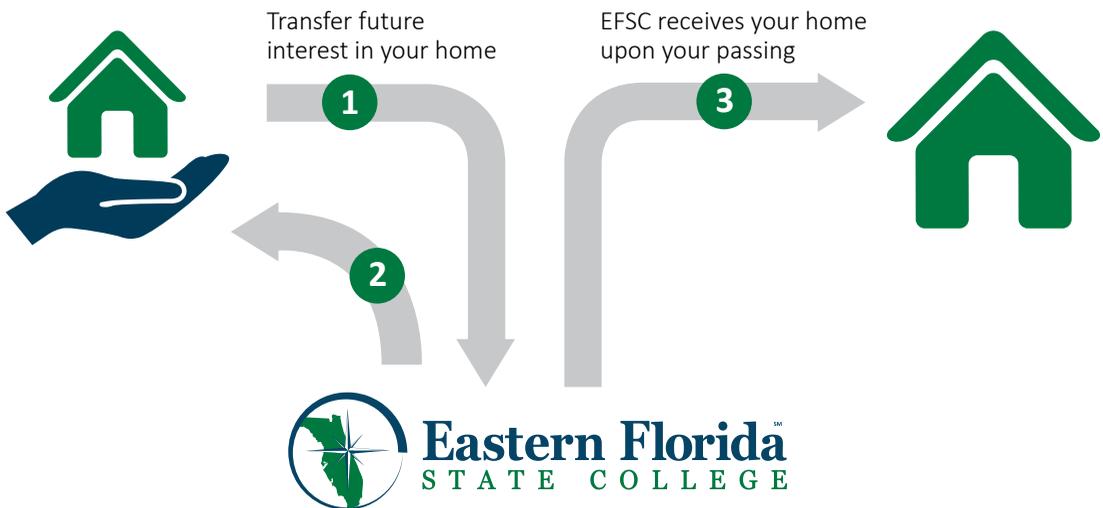
- ➔ An appraisal is usually required to substantiate the tax deduction for most real estate gifts, and must be obtained by the donor.
- ➔ In some cases, EFSC may be willing to purchase a property for less than its fair market value, and the donor is able to claim a tax deduction for the difference.
- ➔ Property subject to a mortgage may not be suitable as a gift to EFSC due to tax and other considerations.

RETAINED LIFE ESTATE

Benefits

- ➔ Transfer title to your personal residence now, while retaining the right to live in or use it for the rest of your life or another's life. Upon the death(s) of the life tenant(s), title to the property vests in EFSC and any subsequent sale proceeds will be applied to the purpose you designate.
- ➔ You receive an immediate income tax deduction based on the fair market value less the present value of the retained life estate.

How it works



Life Insurance

> Name EFSC as the beneficiary



Benefits

- ➔ Life insurance allows donors to leverage their resources while providing an extraordinary gift for future Titans.
- ➔ You can donate your existing policy by making EFSC owner/beneficiary and receive an income tax deduction for the value of the policy.

Did You Know?

- ➔ If you prefer, you can maintain ownership of your policy but name EFSC as a beneficiary. This way you maintain the flexibility to change beneficiaries if your situation changes.
- ➔ Fully paid-up policies are preferable to EFSC. The college may cash out gifts of policies not fully paid up unless the donor makes gifts to EFSC to cover future premium payments.
- ➔ If you have a term policy (often provided as an employment benefit) consider naming EFSC as a beneficiary.

Bequest

> A revocable gift in your will or living trust



Benefits

- ➔ A bequest is a gift to EFSC at your passing, generally through a provision in your will or living trust.
- ➔ It may be revoked at any time during your lifetime if your situation changes.

Did You Know?

- ➔ You can complete a Change of Beneficiary form to name EFSC a beneficiary of your retirement plan, bank account, brokerage account or life insurance policy.
- ➔ A bequest might not be received by EFSC for many years - so there's a delay in funding the gifted purpose. As a result, restrictions placed on the use of your gift should be as minimal as possible, providing EFSC with maximum flexibility, as priorities and programs change over time.







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STATE COLLEGE
FOUNDATION

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