

## HRDC's Community Commons - Capital Campaign

Gifts to Community Commons can be made in a variety of ways. Each gift, regardless of size, is needed and deeply appreciated. We are grateful for **pledged gifts** that can be paid over a five-year period on a monthly, quarterly or annual basis. Cash or liquid securities are the often the most common form of giving. However, other gift types are also appropriate and may offer donors an attractive alternative, enabling them to significantly increase the size of their contribution by blending giving methods.

- **Gifts of Cash:** The simplest way to make a gift is to contribute cash. Checks should be made payable to HRDC and noted "Campaign." MasterCard, Visa and Discover cards are also accepted. The tax deduction is taken in the year the gift is made. If the gift exceeds 50 percent of a donor's adjusted gross income, the excess contribution may be carried over for up to five years until the full value is deducted.
- **Gifts of Appreciated Securities:** For outright gifts of appreciated long-term securities, the deduction is equal to the fair market value of the securities on the date the donor relinquishes control of the assets to HRDC. None of the appreciation is realized by the donor thus avoiding long-term capital gain taxes. The following chart illustrates the potential tax advantages of giving with appreciated securities. HRDC works with DA Davidson for all gifts of stock.

Cash vs. Appreciated Stock (Stock with value of \$100,000 with a cost basis of \$25,000)		
	<u>Cash</u>	<u>Appreciated Stock</u>
Value of Gift	\$100,000	\$100,000
Tax Saving from use of Charitable Deduction (33 percent tax rate)	\$ 33,000	\$ 33,000
Tax Saving from elimination of capital gains tax (20 percent tax rate)	<u>N/A</u>	<u>\$ 15,000</u>
Net Cost of Your Gift	\$ 67,000	\$ 52,000

- **Charitable IRA Rollovers:** IRS rules mandate that individuals age 70 ½ and older take RMDs (required minimum distributions) from their IRAs each year, regardless of whether the income is needed. These annual RMDs are subject to ordinary income taxes. By making a charitable contribution from your IRA, you can satisfy your RMD amount without reporting additional income. The law mandates that individuals must be at least 70 ½ years or older. The maximum amount of a taxpayer's qualified charitable distribution must not exceed \$100,000, and the distribution must be transferred directly from the IRA Trustee or custodian to the qualified charity. Because income tax is avoided, there is no charitable tax deduction. This form of charitable contribution can be used to satisfy a charitable pledge.

### Donations can be sent to:

HRDC  
 32 South Tracy  
 Bozeman, MT 59715  
 - attention Kristin Hamburg

**Within the limits prescribed by law, the full tax amount of your gift is deductible for Federal income tax purposes. HRDC District IX, Inc's Tax ID is 81-0350886.**