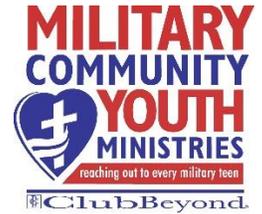


Types of Legacy Gifts

Military Community Youth Ministries (MCYM)



1. Will or Trust
2. IRA or other retirement accounts
3. Life Insurance
4. Real Estate/Life Estate
5. Appreciated Securities
6. CGA (Charitable Gift Annuity) /CRUT (Charitable Remainder Unitrust)

Why give a gift through your Will or Trust?

- It's one of the easiest ways to give a legacy gift to MCYM (percentage or set amount).
- Without a will, the State will determine how your assets are distributed – this does not typically fit your personal plans.
- If you have an existing will, you can add MCYM with a “codicil”. This legal instrument allows for changes without redrafting the entire document.

Why give a gift through your IRA (or other retirement account)?

- If over the age of 70 ½, you can give up to \$100,000 each year through your IRA Charitable Rollover. This is a great way to give away your RMD (required minimum distribution) without getting taxed.
- If you name MCYM as the beneficiary of your retirement account, then MCYM will not be taxed when the gift is received. If you were to name a family member as the beneficiary, then they would be taxed at their income tax bracket.

Why give a gift of Life Insurance?

- Gifts of life insurance are efficient and income tax-free vehicles to use for transfer of wealth. You can make a larger donation later but receive tax benefits now.
- A single premium life insurance policy can be given to MCYM (named as owner and beneficiary) income tax-free.
- Currently held life insurance policies that are no longer needed can also be donated. You would receive a charitable income tax deduction for the initial donation as well as for any premiums paid in the future. Your cash gift to the charity would be the value of the policy purchased (rather than cashing out and receiving just the cash value of the premiums paid).

(over)

Why give a gift of Real Estate?

- MCYM will consider gifts of commercial and residential real estate (the condition, environmental issues, marketability, etc. must be evaluated).
- This is a way of giving a significant gift to MCYM. Gifts of real estate are deductible at the fair market value (the donor is responsible for securing an appraisal to substantiate the donation). Donors may also avoid capital gain taxes on the property.
- There are three different ways to give a gift of real estate:
 - **Outright Gifts:** Contribute property outright to MCYM.
 - **Life Estate:** You can contribute residential real estate property to MCYM and retain the right to live there for your lifetime (can be done for one or more lives, or a term of years). This can also be done with farm property so long as it is land used by the donor or tenant for production of agricultural products or raising livestock.
 - **Trust:** You may contribute the property and receive a lifetime income from MCYM in return (CRUT).

Why give a gift of Appreciated Securities (stock, bonds, mutual funds)?

- A gift of stock, bonds or mutual fund shares entitles you to a charitable deduction for the full current market value (up to 30% of your adjusted gross income) if you have owned the security for one year or more. Any excess can be carried forward five years. (This needs to happen quickly, because the date of your gift is considered to be the day you electronically transfer stock to MCYM's brokerage account – can decline in value over time).
- You can bypass capital gains tax by transferring the stock to MCYM.
- Stock should be sent to MCYM, not sold and then forwarded to MCYM. If sold and forwarded, the proceeds are liable for the capital gains tax.

Why give a gift through a CGA or CRUT?

- A CGA or CRUT allows you or other named individuals to receive income each year for life or for a term of years from assets you give to the trust.
- After the life of the named individuals or the set period of years, the balance of the trust then goes to the charities of your choice.
- You can fund a CGA or CRUT with cash, real estate, or appreciated securities.

*If you plan to take any of these actions, please consult with us first – we are here to help!

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