

Charitable Gift Planning Guide For Gifts to the Colorado Mountain Club or the Colorado Mountain Club Foundation

By naming the Colorado Mountain Club (CMC) or the Colorado Mountain Club Foundation in your will or estate plan, you will be able to count yourself among the proud members of the 21st Century Circle. Deciding to join the 21st Century Circle now will make a big difference for generations to come. Please be sure to inform the CMC of your gift so that we may, with your permission, appropriately thank you for your generosity and recognize you as a 21st Century Circle member.

A gift of any size will make a difference. An unrestricted gift will give flexibility to the CMC or the CMC Foundation to meet ever-changing needs and take advantage of opportunities as they arise. Or, restrict your gift to one of the CMC's great programs, and you can rest assured that your gift will support that program far into the future.

Together, with gifts large and small, we will continue to preserve Colorado's wild places, and educate adults and children alike about the mountain experience, now and into the future. A legacy commitment from your estate will help the Colorado Mountain Club to thrive for another 100 years. Please consult with your professional advisors about including the CMC or the CMC Foundation in your estate plans.

Bequest designation

One of the simplest ways to leave a legacy is to remember the CMC or the CMC Foundation with a bequest in your will. Bequests are deductible from federal estate taxes and may place the taxable portion of your estate in a lower tax bracket. A carefully drafted will can help you minimize taxes. Please consult with your attorney when preparing your will.

Helpful Definitions:

Unrestricted bequest: Allows you to provide general support, giving flexibility to the CMC or the CMC Foundation to meet ever-changing needs and take advantage of opportunities as they arise.

Restricted bequest: Allows you to designate a specific program of interest for your gift within the CMC or the CMC Foundation.

Residuary bequest: Distributed after an estate's specific bequests, debts, and expenses have been paid.

Named endowment funds: Can be established with a bequest gift of \$25,000 or more, and provides permanent income for the program of your choice. You can also add to one of our existing named funds. The terms of a named endowment fund are flexible, but typically income is only distributed in support of the purpose of the fund.

Sample bequest designations:

While the following language will guide you in making a bequest to the Club or

Foundation, the CMC and CMC Foundation strongly encourage you to consult with your attorney when preparing your will.

To the Colorado Mountain Club:

“I hereby give, devise, and bequeath to the Colorado Mountain Club, a qualified 501(c)(3) charitable institution located at 710 10th Street, Suite 200, Golden, CO 80401, USA, Federal Tax Identification Number 84-0410760, _____ [dollar amount, percentage of estate, or the remainder of my estate] for _____ [its unrestricted use, or a specific purpose; e.g. Conservation, Education, Youth Education, Perpetual Endowment, etc.].”

To the Colorado Mountain Club Foundation:

“I hereby give, devise, and bequeath to The Colorado Mountain Club Foundation, a qualified 501(c)(3) charitable institution located at 710 10th Street, Suite 200, Golden, CO 80401, USA, Federal Tax Identification Number 23-7319139, _____ [dollar amount, percentage of estate, or the remainder of my estate] for _____ [its unrestricted use, or a specific purpose; e.g. Gehres14er Fund, Neuhoff Endowment Fund, Kindig Endowment Fund, etc.].”

Retirement Assets

You can name the CMC or the CMC Foundation as the beneficiary of one of your qualified retirement plans, such as an IRA, 401k plan, or 403b plan. Filling out a beneficiary form is fast and easy, and you can easily change it if your circumstances change. Contact your retirement plan administrator for the form. You can designate either a specific amount or a percentage of your retirement plan to the CMC or the CMC Foundation.

Qualified retirement plans offer the opportunity to set aside pre-tax income and invest that money on an income tax deferred basis. Since no taxes are paid on the income as it is earned, nor as it is invested and grows, withdrawals from qualified retirement plans are subject to income tax. Likewise, any amount left in a qualified retirement plan is treated as though it were withdrawn by the estate, making it subject to income tax. However, a gift to charity from a qualified retirement plan is tax free.

Because retirement assets have a higher tax burden than other assets held by an estate, effective tax planning can be accomplished by the gift of your qualified retirement plan to the CMC or CMC Foundation while other assets in your estate, which do not carry such a high tax burden, can be left to your heirs.

Life Insurance

You can name the CMC or the CMC Foundation as the beneficiary of a life insurance policy. Your estate will receive a charitable deduction for the value of the gift, thus offsetting the possible estate tax payable. By leaving a gift of life insurance to the CMC or CMC Foundation, you can accomplish a significant gift while leaving your current assets, such as bank accounts, securities, and your home to family and friends.

If you give the CMC or the CMC Foundation a paid-up life insurance policy during your lifetime, you can immediately claim an income tax deduction. If the policy has a cash value, the charity has the option of either holding the policy until the maturity date or surrendering the policy in order to receive the policy's current cash value. If you name the CMC or the CMC Foundation as the beneficiary *and owner* of a new policy, you will receive a tax deduction for the ongoing premium payments.

Gifts of Appreciated Stock or Property

If you have owned securities for more than one year and the fair market value has increased since date of purchase, or you own land or property that has increased in value, you can avoid capital gains tax through an offsetting charitable deduction by making a donation of these assets to the CMC or CMC Foundation during your lifetime.

Securities: A current gift of appreciated securities can provide tax savings. First, you avoid paying capital gains tax on the capital gains built into the gifted security. Second, the value of the security is removed from your taxable estate. Professional advisors, such as stock brokers or trust officers, are very familiar with how to accomplish such gifts during your lifetime. Your attorney can also assist you. From an income tax perspective, gifts of appreciated stock are deductible up to a maximum of 30% of your adjusted gross income. Any excess charitable deduction can be carried forward and deducted over as many as five subsequent years.

Land or property: A current gift of real estate or other deeded property can be accomplished by having your attorney draft a deed transferring title to the CMC or CMC Foundation. Once the deed is signed by you and recorded in the county where the real estate is located, the CMC or CMC Foundation will sell the property. The proceeds from the sale will be applied to the general support of the CMC or to specific purposes of the CMC or the CMC Foundation as you designate. Similarly, a gift of real estate or other deeded property can be accomplished after your death by having your attorney write the details of this gift into your will or trust.