

Charitable Gift Planning Guide For Gifts to The Colorado Mountain Club and The Colorado Mountain Club Foundation

While the following language will guide you in making a bequest to the Club or Foundation, the CMC and CMC Foundation strongly recommend that you consult with your attorney when preparing your will.

Please be sure to inform the CMC of your bequest so that we may, with your permission, appropriately thank you for your generosity and recognize you as a 21st Century Circle Member or as you deem appropriate. Together, with bequests 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.

Helpful Definitions

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

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 within the CMC or the CMC Foundation of interest for your gift.

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.

Suggested Bequest Designation Language

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, 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. 14er Fund, Bradford Washburn American Mountaineering Museum, etc.]."

Bequests are deductible from federal estate taxes and may place the taxable portion of the estate in a lower tax bracket. Even small estates may be subject to the burden of state taxes and larger probate costs. A carefully drafted will, drawn up by your attorney, can help you minimize taxes.

Charitable Remainder Trusts

Charitable Remainder Annuity Trust (CRAT)

With a CRAT, your gift in trust of cash or securities to the CMC or the CMCF, provides you with the reliability of fixed income payments for life or a number of years. You can receive the income or choose other income recipients, such as a spouse. You select the trust's payout rate, which, when calculated as a percent of the value of your gift, determines your income. You can also decide if you would like the trust to last for a lifetime(s) or a specific number of years. And, your gift allows you to claim a charitable deduction from your income tax.

Charitable Remainder Unitrust (CRUT)

The CRUT is similar to the CRAT, but has more flexibility and offers the potential for increased income. The income paid from the unitrust is a fixed percentage of the fair market value of the trust assets as revalued each year.

Because the income payments reflect the changing value of the assets, income may fluctuate. For instance, as the value of trust assets grows over the years, income payments increase as well. However, if the value of the trust declines, so too does the income. This feature of higher income potential allows the CRUT to serve as a hedge against inflation.

Charitable Remainder Term Trust

A charitable remainder term trust provides income to you or designated beneficiaries for a specific number of years (not to exceed 20). This trust can fund the cost of college or graduate education for children or grandchildren. In effect, trust income paid to the income recipient is taxed at his/her rate (which is usually lower) and the funds pay the educational expenses.

Charitable Gift Annuities

Immediate Payment Gift Annuity (IGA)

You can transfer cash or securities to the CMC or the CMCF in return for a charitable gift annuity that pays a fixed income for life to you, your spouse, or you and your spouse. The rate paid depends on the ages of the individuals that will receive the income payments. When you fund your gift annuity, particularly if you use cash, part of each income payment is tax-free. Long-term appreciated stock is also an excellent funding asset for a gift annuity. Funding your gift annuity with this asset may also provide tax-free income and reduce capital gains tax on the stock's appreciation. In addition, you may claim an income tax charitable deduction for a portion of your gift you when you fund an annuity.

Deferred Payment Gift Annuity (DGA)

The DGA has all the income and tax benefits of the immediate payment gift annuity plus an attractive planning benefit. For example, you may wish to defer your income payments for a certain number of years, perhaps when you retire. With the DGA, you can select the date in the future on which you would like your income payments to begin. If you are planning during your working years, you can take advantage of an immediate charitable deduction at a time when your current income tax bracket may be higher than it might be in the future.

Gifts That Give Income

Charitable gifts that produce lifetime income or income for a specified term of years can enable you to make a substantial contribution to the CMC or the CMCF while retaining, or even increasing, the annual income you currently receive from a particular asset. Depending on the life income gift you fund with your gift of cash, securities, or real estate, you can receive some or all of the following benefits:

- Income for you and your family
- Lifetime income or income for a number of years
- Fixed or variable income
- Income for retirement years
- Income tax charitable deduction for part of your gift
- Reduction or avoidance of taxes such as capital gains tax
- Enhanced personal and philanthropic objectives

Your personal, financial, and charitable objectives will determine the structure of your gift. For example, you may want the certainty of fixed income payments for life, or you may prefer a variable income that can act as a hedge against inflation. Perhaps income for a term of years will help finance a college education for children or grandchildren. Or, you may want to plan supplemental income for retirement years. A variety of gift plans offered by our life income gift program can provide income and tax benefits in return for your thoughtful and generous gifts to the CMC or the CMCF.