

WAYS OF GIVING

The information shown here is not exhaustive and is meant to stimulate further inquiry. Carnegie Library of Pittsburgh (CLP) will be pleased to work with prospective donors in determining how they may wish to make a gift, but it is expected that donors will consult with their own financial advisors before finalizing a contribution.

CURRENT GIFTS

■ **Cash Gifts**

- Tax deductible if donor itemizes deductions.
- Up to 50 percent of adjusted gross income can be deducted in any one year.
- Excess can be deducted over the next five years.
- Actual savings depend on tax rate.
- The higher the tax rate, the greater the savings.

■ **Pledges**

- Can be paid over a three- to five-year period.
- Deductible in the year a payment is made.

■ **Matching Gifts**

- Takes advantage of programs offered by many employers.
- Leverages donor's gift to a higher level.

■ **Publicly Traded Securities**

- Produces a current tax deduction equal to fair market value of the stock.
- CLP may redeem shares of publicly traded stock transferred to CLP.
- Could reduce capital gains tax liability.

DEFERRED GIFTS

■ **Life Income Trusts**

- Trust assets are funds or property contributed by donor (\$100,000 or more).
- Flexibility in type of property that can be donated.
- Real estate may be used.
- Provides a fixed amount of income (Charitable Remainder Annuity Trust) or
- Provides a variable level of income (Charitable Remainder Unitrust).

■ **Charitable Lead Trust**

- Donor provides assets for use for a limited period of time.
- Funds are invested to provide income to CLP.
- Assets returned to donor or to donor's children at end of designated period.
- Can fulfill a pledge while reducing estate and gift taxes that might otherwise be due on assets given outright to heirs.

■ **Wealth Replacement Trust**

- Protects inheritance interests of heirs.
- Contributes assets to CLP either outright or through planned giving vehicles.
- Using resulting tax savings, donor purchases a life insurance policy with heirs as beneficiaries.

■ **Life Insurance**

- Makes CLP sole owner and beneficiary of paid-up policy.
- Receives income tax deduction for the cash surrender value of policy.
- If policy not fully paid, donor may make annual gifts equal to the premium payments to support continuation of the policy.

■ **Bequests**

- Outright bequests, as well as certain bequests in trust, are not subject to estate taxes.
- Actual cost is less than face value of gift because of tax benefits to estate.
- Bequest can take any of following forms:
 - Outright bequest of cash, particular securities or other property.
 - Residual bequest of all or portion of estate after payment of specific amounts to other beneficiaries.
 - Contingent bequest to take effect if other beneficiaries die before the donor.
- A bequest can often be arranged simply with the addition of a codicil amending an existing will.