YMCA OF DELAWARE HERITAGE SOCIETY

A Guide to Leave Your Legacy at the YMCA

HERITAGE SOCIETY OVERVIEW

The YMCA of Delaware's Heritage Society honors those who have made a lasting impact at the YMCA through planned giving. Membership in the Heritage Society simply requires a commitment of a gift, now or in the future, ensuring the YMCA of Delaware is strong for future generations. Donors can restrict their gift to benefit a particular branch and/or program and unrestricted gifts will be allocated to our general endowment fund. The YMCA of Delaware and the Board of Directors determine annual distributions based on community needs.

There are many different ways you can make an impact at the YMCA and this booklet provides a brief overview of some commonly used gift planning vehicles. For more detailed information, please contact us directly. We encourage you to work directly with your attorney and accountant when making gift plans, but if you would like financial advice, we can refer you to a number of qualified and experienced professionals in your area.

Planned giving allows donors to reduce their tax burden, ensure their family is taken care of and, at the same time, benefit charity. Most importantly, members of our Heritage Society change lives and shape future generations. How will your legacy live on?

YOUR DONATIONS IN ACTION

Kourtney dreamed of giving her daughter the same summer camp experience she had growing up. But after being diagnosed with stage two breast cancer, she didn't think this would ever be a reality. "We were struggling financially from all the medical bills and the loss of my job. I didn't want Kymani to suffer. Finding a way to send her to camp was my problem. She has had enough to deal with."

Thanks to financial assistance funded by donor support, Kourtney was able to send her daughter Kymani to YMCA Camp Tockwogh. The experience was everything she wanted for her 11-year-old daughter. In the two weeks that she was there, Kymani made new friends and learned new skills. She especially loved archery and kayaking.

"I only received one letter." Kourtney laughs. "I knew she was having a good time because it was so short. She just wrote, 'Mom, I'm having fun. Bye.' I could tell she just wanted to get back to all the action."

While Kourtney continues to prioritize her health, Kymani will be getting back to all the action at Camp Tockwogh again this summer. "I have great memories of camp," says Kourtney. "I still keep in touch with one of the girls I went to camp with and I am so happy she is able to have the same experiences."

CURRENT PLANNED GIFT OPTIONS

The easiest way a donor can support our Heritage Society is through the gift of current assets. A gift of current assets helps donors take advantage of income tax deductions and may also help donors avoid capital gains taxes. There are many examples of current assets a donor may contribute to the YMCA. The greatest advantages of this type of gift planning is that the funds become immediately available to the Y and donors are able to leverage tax advantages in donating appreciated assets. Some examples of assets that an individual may wish to donate to the YMCA's endowment may include:

CASH GIFT – A cash gift is the easiest way a donor can support the YMCA's endowment and can reduce a donor's taxable income.

SECURITIES – A donation of appreciated securities will reduce a donor's taxable income and at the same time can help donors avoid capital gains taxes. Depending on the donation amount, the capital gains in question and the donor's tax bracket, a donation of appreciated securities has the potential to save donors thousands of dollars in taxes compared to an equal donation of cash.

REAL ESTATE – While more complex than securities, the donation of real estate can also help donors avoid capital gains taxes and at the same time help reduce estate tax burden. Real estate donations can be structured in a number of ways that 1) make an irrevocable commitment to the YMCA, 2) allow the donor to continue to use the property as usual and 3) provide the donor a current income tax deduction for the property's value.

LIFE INSURANCE POLICIES – Naming the YMCA as a beneficiary on life insurance policies is an easy way donors can make a lasting impact with little up front financial commitment. As the policy matures, the eventual payout to the YMCA appreciates to an amount often larger than other current assets a donor may have.

IRA CHARITABLE ROLLOVER – Donors are required to withdraw a minimum amount from their IRA once they reach the age of 70 (RMD). At this point, donors are able to rollover up to $100,000 annually to the YMCA to reduce their income tax burden and meet their RMD. There are many examples of current assets a donor may contribute to the YMCA. The greatest advantages of this type of gift planning is that the funds become immediately available to the Y and donors are able to leverage tax advantages in donating appreciated assets.

WILLS AND BEQUESTS

Wills and trusts enable donors to provide long-term financial security for their families and loved ones. At the same time, these bequests also help donors perpetuate their legacy and support the vital work of the charities that are important to them. Donors can specify a flat amount or a percent of their estate they would like to donate to charity. While less than half of all Americans have a will, donors who have already created estate plans can amend them easily through a simple legal device known as a codicil. Bequests to the Y are not taxed and will reduce the estate tax burden. Please consult with an attorney before finalizing your will or trust. If you wish to include the YMCA in your estate plans we recommend the following language:

For a specific bequest: I give and bequeath [a %, dollar amount or specific asset] to the YMCA of Delaware, federal tax #51-0065748 for the benefit of __________(optional).

For residuary bequest: I direct that the remainder of my estate, whether real property, personal or mixed and wheresoever situated, be distributed to the YMCA of Delaware, federal tax #51-0065748. My Executor shall, at the request of the YMCA of Delaware, liquidate and sell any real estate or tangible personal property which is part of the residue of my estate before making distribution.

CHARITABLE GIFT ANNUITIES AND TRUSTS

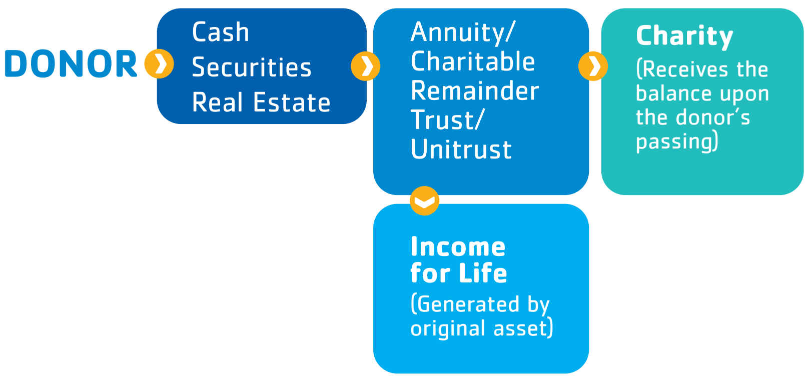
There are several way to structure gift annuities and trusts to benefit both the donor and the YMCA. While a donor should always work with his/her/their financial planner in establishing such gift plans, below is an overview of some common gift planning options:

CHARITABLE GIFT ANNUITIES – A gift annuity is a legal contract between a donor and the Y. In return for a contribution to the Y, the donor receives a fixed amount every year for life. Annuities provide guaranteed rates of return as well as income tax deductions for donors. At the same time, annuities provide a lasting asset to the Y.

CHARITABLE REMINDER TRUSTS – In a remainder trust, the donor transfers cash or other assets to the trust and receives income for life. Donors can utilize trusts to avoid capital gains taxes and increase his/her income significantly. Similar to annuities, remainder trusts provide guaranteed rates of return as well as income tax deductions for donors. At the same time, remainder trusts provide a lasting asset to the Y.

CHARITABLE REMAINDER UNITRUSTS – Similar to a remainder trust, a remainder unitrust provides income to donors and a long term asset to the Y. The greatest difference is that a unitrust allows donors to select a desired percentage of the trust to serve as annual income. As such, the annual income the donor receives is tied with the value of the trust and can adjust with inflation.

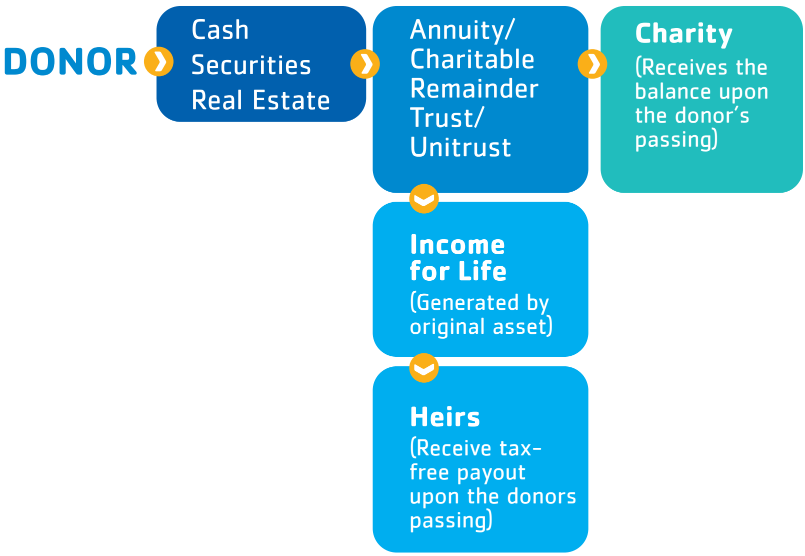
While all three giving vehicles are unique, they essentially work like this:



WEALTH REPLACEMENT

Maximizing benefits for your family and the Y

Under a wealth replacement model, a donor establishes a charitable remainder trust. The trust produces an annual income to the donor. Simultaneously, the donor establishes a life insurance policy and names his/her heirs as the beneficiaries of the newly established policy. With the annual income generated from the trust, the donor is able to pay the premiums on the insurance policy. When the donor passes, his/her heir receive the payout of the insurance policy TAX FREE. At the same time, the YMCA receives the assets that remain in the original trust. This type of planning can double the donor's long term assets by 1) providing a tax free payout to his/her heirs and 2) providing a tax free remaining asset to the YMCA. Both the asset inherited to the heir(s) and the asset transferred to the YMCA are roughly equivalent in size as the original asset.



For more information, please contact our Development Team.

YMCA of Delaware
100 W. 10th Street, Suite 1100,
Wilmington, DE 19801
(302) 571-6908

development@ymcade.org

www.ymcade.org