



Ways to Give

A guide to gift planning at Canisius College

Past generations of Canisius College alumni and friends demonstrated their leadership and loyalty with planned gifts to the college - legacies that make a Canisius education engaging and affordable. Today, you have the opportunity to carry on this legacy of support through your own planned gift to Canisius.

Planned giving is a smart, structured way to endow your annual gift to the college, provide support to Canisius students for years beyond your lifetime, and maximize your personal, financial, and philanthropic goals while minimizing the after-tax costs. Depending on the type of gift, you may:

- Reduce your income tax through a charitable gift deduction.
- Avoid capital gains tax on gifts of long-term appreciated assets.
- Retain a stream of income for yourself and/or designated beneficiaries.
- Increase your spendable income.
- Eliminate potential federal estate tax on property passing to charity upon your death.
- Reduce costs and time in estate settlement.

Alumni and friends who name Canisius College as a beneficiary of their estates receive the added benefit of becoming members of *The Rev. James M. Demske '47, S.J. Society*. Established in 1982, the society is named for Father Demske who served as the college's 22nd president from 1966-1993. The growth and development that the college experienced under Father Demske's leadership helped to lay the foundation for the success that the college experiences today. Father Demske's foresight and commitment to Canisius make him a fitting namesake to the society of alumni and friends who include the college in their estate plans. Like Father Demske, members of the society help to secure an even brighter future for Canisius College, and at the same time, forever tie their legacy to the college.

As a member of *The Rev. James M. Demske '47, S.J. Society*, you will enjoy:

- Special invitations to Demske Society functions and other campus and regional events;
- A distinguished gold-plated trombone pin signifying your membership in the society in honor of Father Demske's avocation as a trombonist;
- The satisfaction of knowing that your deferred gift will secure Canisius College's legacy for the benefit of future generations.

How to take advantage of these benefits:

Step One

Review the information in this packet to familiarize yourself with the various giving strategies.

Step Two

Contact the Office of Advancement at Canisius College at 716-888-8200. We will connect you with a member of the advancement team who can work with you and your professional advisor (i.e. attorney or financial advisor) to determine the right giving strategies for you and your family.

Outright Gifts

Cash

Cash is the simplest, most direct and most popular type of charitable gift. A gift of cash is considered made on the date it is hand-delivered or mailed, and because of the charitable deduction, the net cost to a donor can be considerably less than the actual amount of the gift.

Securities and Real Estate

Popular alternatives to cash are gifts of appreciated property, such as securities and real estate. Such gifts generate a double tax benefit. In addition to receiving a charitable income-tax deduction for the full fair-market value of the property, the donor escapes any potential tax on the capital gain element in the property.

Note: To qualify for this double tax benefit, the property must have been held for more than one year.

The full-fair market value of gifts of long-term, appreciated property is deductible up to 30 percent of a donor's adjusted gross income (AGI). Any amount over the 30 percent ceiling can be carried forward for up to five years.

Note: A donor who might consider a gift of property that has declined in value would be better to sell the property to realize a deductible loss. The proceeds can then be contributed to Canisius College. This ensures recognition and deductibility of the loss.

Tangible Personal Property

As with gifts of securities or real estate, a donor is entitled to a charitable deduction for gifts of tangible personal property such as works of art, rare books, or stamp or coin collections. The allowable deduction for such a gift held long-term depends on the standard of "related use."

If the use of the contributed property is related to the exempt purposes of the charitable organization (e.g. a painting to a museum), the donor is entitled to a charitable deduction for the full-fair market value of the property – subject to the 30 percent ceiling and carryover.

If the use of the contributed property is unrelated to the exempt purposes of the charity (e.g. a stamp collection to a hospital to sell and use the proceeds), the donor is entitled to a deduction only for his or her basis in the property.

As with gifts of securities and real estate, long-term tangible property is property held for more than 12 months. However, unlike securities and real estate, the maximum capital-gain tax rate for the tangible personal property is 28 percent.

Note: If the donor created the contributed asset (e.g., a painter who gives his or her own art work), the deduction is limited to the actual cost in producing the asset.

Deferred Gifts

Life Income Gifts: A Good Way to Give and Receive

Did you know that you can make a gift and receive income for life in return? It's a concept that seems almost too good to be true. Yet federal tax law sanctions several different ways that allow you to do just that. Known as a life income gift, this type of planned giving can both generate reliable income and, at the same time, support Canisius College. There are various types of life income gifts, each of which has particular features designed to accommodate individual situations and objectives.

Some of the reasons you may consider a life income gift are:

- To generate a substantial income tax deduction;
- To turn an asset that produces little or no income into a source of significant income;
- To avoid some or all of the tax on any paper gain on appreciated assets that you use to fund a life income gift;
- To supplement future retirement income.

Charitable Gift Annuities

A charitable gift annuity is among the oldest, simplest and most popular of life income gifts. In exchange for the transfer of cash and marketable securities, Canisius College will make specified annuity payments to you and/or another beneficiary. The minimum required to establish a charitable gift annuity at Canisius College is \$10,000. Three factors affect the size of the specified payment:

- The amount of the gift;
- The age and number of beneficiaries;
- The gift annuity rate.

At your request, a member of the Advancement staff will be happy to run a personalized illustration that details the benefits and tax implications of your gift.

Benefit: *Receive fixed payments for life.*

Charitable Remainder Trusts

Charitable remainder trusts are similar to other legal trusts in that assets and/or property are held by one entity for the benefit of another. The differentiating factor in Charitable Remainder Trusts is that the benefiting entity is a charitable organization. Charitable Remainder Trusts offer great flexibility because of the many different types available, and the option to make them effective during life or at death.

Charitable remainder trusts are often reserved for gifts larger than \$150,000 because they require legal and financial counsel in order to be established. For gifts of lesser amounts, charitable gift annuities may be the better vehicle because they are relatively easier to administer.

The most popular types of charitable remainder trusts are:

- **Charitable Remainder Annuity Trust -**

Pays one or more beneficiaries a fixed amount (not less than five percent of the initial fair market value of the gift in trust), typically for life, then the balance to Canisius College.

***Benefit:** Receive the security of a specified fixed payment.*

- **Charitable Remainder Unitrust -**

Pays one or more beneficiaries a varied amount of income for life (based on a fixed percentage of the annual value of the trust), then the balance to Canisius College.

***Benefit:** Receive possible protection against effects of long-term inflation.*

Pooled Income Fund

A pooled income fund is a trust that accepts irrevocable gifts from separate donors to be commingled for investment purposes. Each income beneficiary receives a proportionate share of the net income earned by the fund each year. Upon the death of the beneficiary, a portion of the fund (representing the value of the units assigned to that beneficiary) is distributed to Canisius College.

The modest initial transfer of \$5,000 is one of the most appealing features of a pooled income fund.

***Benefit:** Receive additional valuable income payments.*

Gifts Under Your Will

Gifts under your will, commonly known as bequests, are relatively simple to prepare, and like life-income gifts, offer numerous options in order to accommodate individual situations and objectives.

Did you know that without a will, state law will dictate the distribution of your estate's assets? Unfortunately, these arrangements may not coincide with your desires or the needs of your loved ones. A will ensures that the people and causes you care most about will be provided for in the future. You and your family will find comfort in knowing that your legacy will be left as you intended. While your assets are valuable, your peace of mind and personal satisfaction are invaluable.

It is never too early to establish a will. Although a will is permanent upon your death, you are encouraged to make revisions throughout your lifetime. You should establish your will now and revisit it periodically as priorities in your life change. The long-term benefits of having a will far outweigh the time and costs involved with this type of planning.

Benefit: Assures support for personal and family needs during life.

Consider some of the following scenarios to determine what type of bequest may be best for you.

- **If you know the specific amount that you would like to leave to Canisius College,** you can do so through an outright bequest of cash, securities or any type of property. This option permits you to allocate a specific amount or asset to be passed on to the college.
- **If you wish to provide for your family and Canisius College,** then the designation of a percentage of your residuary estate to your family and a percentage to Canisius College may be the best approach for you. This allows you to provide for both family and the college in the proportion that best suits your needs.
- **If you provide for a young family,** you may consider a contingent bequest, which stipulates that Canisius College will receive a portion of your estate only if your named beneficiaries do not survive you.
- **If you would like to reduce the size of your estate for estate tax purposes, provide income for loved ones during their lifetimes and receive a substantial income tax deduction during your lifetime,** you may benefit from the establishment of a lifetime charitable trust or gift annuity.

Once you decide the approach that best suits your needs, we recommend that you include the following language in your will to designate Canisius College as a beneficiary of your estate.

For an Outright Bequest of Cash, Securities or Any Type of Property:

I give _____ dollars to The Canisius College of Buffalo, NY Inc.

Or

I give (name asset) to The Canisius College of Buffalo, NY Inc.

For a Residuary Bequest:

I give _____ percent of the rest, residue and remainder of my estate to The Canisius College of Buffalo, NY Inc.

Or

All the rest, residue and remainder of my estate, I give to The Canisius College of Buffalo, NY Inc.

For a Contingent Bequest:

If (insert name) is not living on the ninetieth day after the day of my death, I give the property that would otherwise pass to (insert name) to The Canisius College of Buffalo, NY Inc.

For a Restricted Bequest:

Use one of the suggested clauses above in combination with:

...to be used for the following purpose: (State purpose)

Should it not be possible to use these funds for the stated purpose, they may be expended at the discretion of the president and the Board of Trustees of Canisius College.

For an Unrestricted Bequest:

Use one of the suggested clauses above in combination with:

...to be used at the discretion of the president and the Board of Trustees of Canisius College.

Before including Canisius College in your will, we suggest that you consult your attorney.

Gifts of Real Estate with Retained Life Interest

A gift of a remainder interest in a home or farm provides a charitable deduction for a portion of the property's value and permits the donor to escape the potential capital gains tax on the appreciation. What may be more important is the ability to occupy the residence or operate the farm without disrupting your lifestyle.

Benefit: *Make a significant gift without changing your lifestyle.*

Life Insurance

Life insurance is an excellent, yet often overlooked vehicle for charitable giving. To utilize life insurance in your charitable giving, you may:

- Name Canisius College as **owner and beneficiary** of an insurance policy, which can generate an income tax charitable deduction.
- Purchase a new policy to replace the value of another asset you give to Canisius.

Benefit: *Make a significant gift for a modest annual payment.*

Gifts of Retirement Assets

Retirement funds represent a major portion of most people's assets. Due to special tax considerations that apply to such funds, they make an excellent choice for funding a testamentary charitable gift.

Reason: Such funds are subject to federal estate tax, and can give rise to substantial (as much as 60 percent or more) income tax liability.

By designating that all or a portion of your retirement funds will be distributed to Canisius College, your heirs can avoid paying income tax on the transfer of the retirement funds.

Benefit: *The funds are available to you during life and escape potential income tax at death.*

Additional Opportunities

While we have highlighted the most popular options for deferred gifts, there are more available. If you need further assistance, we are here to help. We will be happy to work with you and your advisors to arrange a strategy that best suits your goals.

For more information, contact the Office of Advancement at 716-888-8200.

Thank You for Notifying Us of Your Plans

With careful and strategic planning, you can play an instrumental role in strengthening the future of Canisius College for generations to come. **Please remember to notify us when you include Canisius College in your estate plans.** Knowing your plans helps us to prepare for the future. More importantly, your notification gives us the opportunity to express our gratitude, and enroll you as a member of *The Rev. James M. Demske '47, S.J. Society*. By listing your name, if you so wish, as a member of the Demske Society, you may inspire others to follow your example of commitment and foresight.

We encourage you to provide documentation, such as a copy of the pertinent provisions of your will or trust, a copy of the life insurance policy that names the college as a beneficiary, or a letter from your attorney that states that Canisius has been included in your estate plans. The specifics of your arrangements for the college will remain confidential.

To schedule an individual meeting with one of our gift officers or to notify us of your plans, please contact:



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