

Your Guide To  
**Planned Giving**

An Overview Of  
6 Types of Charitable Planned Gifts



**YELLOWSTONE**  
Boys and Girls Ranch Foundation



## Interesting Ideas in Estate Planning



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# Welcome

***Are you looking for ways to save on your taxes this year through charitable giving?***

***Would you like to avoid capital gains tax on the sale of your appreciated assets?***

***Are you interested in ideas to help you plan and save for the future?***

If you answered yes to any of these questions, a planned gift can help you achieve your goals.

For over 40 years, Yellowstone Boys and Girls Ranch Foundation has helped donors understand the income and tax advantages of a well-designed estate plan that includes Charitable Planned Gifts. Planned giving provides many benefits. With a planned gift, you can create your own legacy while helping further Yellowstone's charitable mission.

The goal of this guide is to explain some of the best planned giving options and their benefits to you. If you have questions about your specific assets, potential income or tax savings please contact us. We would be happy to provide you with a personal illustration and answer any questions you may have about charitable gift plans. Yellowstone Foundation consultations with donors, and their advisors, are always free of charge.

Please let us know if we can be of assistance to you in reaching your goals. *We look forward to being in your service.*

Sincerely,

William A. (Bill) Hritsco, President  
Yellowstone Boys & Girls Ranch Foundation

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***The mission of Yellowstone Boys and Girls Ranch Foundation is to support, promote, advance and enable charitable, religious, and educational organizations and programs whose services primarily benefit youth and adults with special needs.***

***The Foundation primarily directs its support to Yellowstone Boys and Girls Ranch. Founded in 1957, YBGR provides residential and community based care and treatment for emotionally troubled youth, and K-12 education at the Yellowstone Academy.***

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# What is Planned Giving?

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## Annual Giving

An on-going show of financial support for charity.

## Planned Giving

A way to leave assets to charity that provide current and future benefits.

## Common Types of Planned Gifts

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Charitable Gift Annuity (CGA)	6
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# Bequest

A future gift to help Yellowstone Boys & Girls Ranch Foundation. A bequest is one of the easiest ways for you to make a planned gift.

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## The Need

Many people want to give to charity but are unable to donate property during their lifetime. For example, you may have property that will be needed during life to cover living expenses or rising health care costs. You may benefit from donating this property through your estate.

## The Solution

You can retain ownership and use your property during your life and benefit Yellowstone Boys & Girls Ranch Foundation by leaving the property to Yellowstone Foundation when you pass away.

## The Benefits

### Gift to Charity

Yellowstone Foundation receives cash or property.

### Tax Deduction

The amount given to Yellowstone Foundation is not subject to federal estate tax.

### Flexible

You are able to use and control your property during your lifetime.

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## The Details

You can leave a gift to Yellowstone Foundation by including a bequest in your will or trust. Property that passes through a beneficiary designation (such as individual retirement accounts) can be left by designating Yellowstone Boys and Girls Ranch Foundation as a beneficiary.

## Specific Asset Bequests

Many bequests transfer a specific item to a charity. *"I give my car to Yellowstone Foundation."*

## Specific Amount

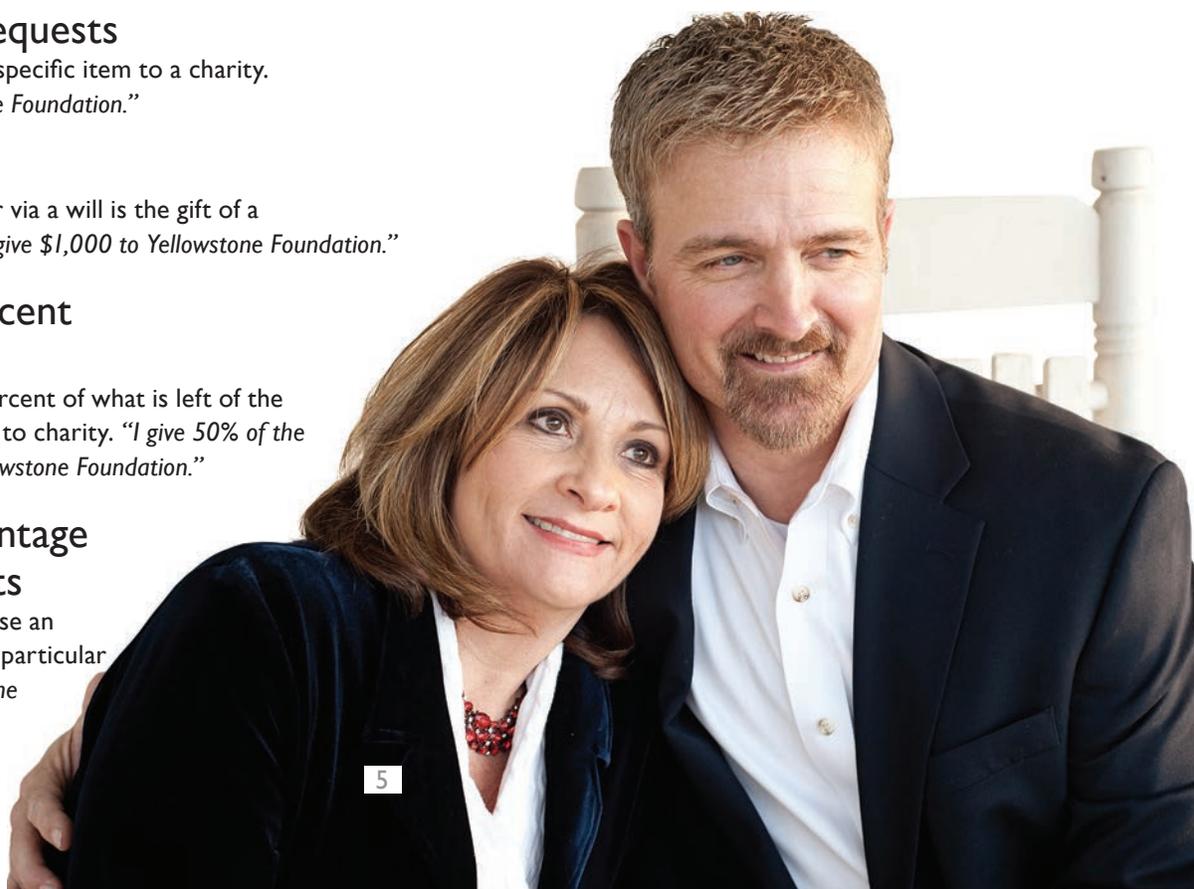
Another common transfer via a will is the gift of a specific dollar amount. *"I give \$1,000 to Yellowstone Foundation."*

## Bequest of a Percent of the Residue

A fractional amount or percent of what is left of the estate may be transferred to charity. *"I give 50% of the residue of my estate to Yellowstone Foundation."*

## Undivided Percentage of Asset Bequests

You may bequeath or devise an undivided percentage of a particular asset. *"I give half of my home to Yellowstone Foundation."*



# Gift Annuity

An agreement through which you make a gift of cash or property and Yellowstone Boys & Girls Ranch Foundation agrees to pay you a fixed income for the rest of your life.

Payout rates are based on age and are higher for more senior donors.

## The Details

A Charitable Gift Annuity (CGA) is a contract between you and Yellowstone Foundation. In exchange for a gift of cash or property, Yellowstone Foundation agrees to make fixed payments to you for the remainder of your life.

## Duration

You give cash or appreciated property to Yellowstone Foundation. In exchange, Yellowstone Foundation makes fixed payments for the lifetime of you or you and another person.

## Payout Rate

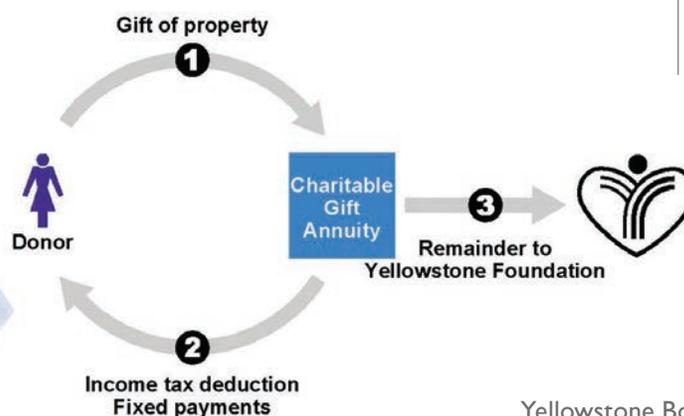
Your Gift Annuity payout rate is based on your age. Check with us to see how high your payments could be.

## Taxation of Payments

A portion of your gift annuity payments could be tax free. The remaining amount of each payment is taxable at ordinary income tax rates and some portion could be taxed at capital gains rates.

## Timing

A Gift Annuity contract can begin making payments immediately and will continue for as long as you are living.



## The Need

You want to make a gift to Yellowstone Foundation and receive fixed income.

## The Solution

You and Yellowstone Foundation enter into a charitable gift annuity agreement.

## The Benefits

### Fixed Payments for Life

You receive fixed payments for life.

### Tax-Free Payments

A portion of each payment may be tax free.

### Rates by Age

Payout rates are based on your age at funding.

### Tax Deduction/Credit

You will receive a federal income tax deduction and Montanans can receive the Montana Endowment Tax Credit.

Yellowstone Boys and Girls Ranch Foundation is a sponsoring member of the American Council on Gift Annuities and follows the ACGA recommended rate guidelines.

# Deferred Payment Gift Annuity

An agreement through which you make a gift of cash or property and Yellowstone Boys & Girls Ranch Foundation agrees to pay you a future income. You can generate larger immediate tax savings and higher fixed annuity income at your future date of retirement.



## The Details

A Charitable Deferred Payment Gift Annuity (DPGA) is a contract between you and Yellowstone Foundation. In exchange for a gift of cash or property, Yellowstone Foundation agrees to make future fixed payments to you beginning at the date of retirement you choose.

## Duration

You give cash or appreciated property to Yellowstone Foundation. In exchange, Yellowstone Foundation promises to make future payments to you beginning at age of retirement and continuing for as long as you are living.

## Payout Rate

Since the annuity payments start at a time in the future, your annuity rate may be substantially higher due to the period of deferral. Check with us to see how high your payments could be.

## Taxation of Payments

A portion of your future gift annuity payments could be tax free. The remaining amount of each payment is taxable at ordinary income tax rates and some portion could be taxed at capital gains rates.

## The Need

You need income tax deductions now and secure income at age of retirement.

## The Solution

You and Yellowstone Foundation enter into a charitable deferred payment gift annuity agreement.

## The Benefits

### Immediate Tax Savings

You will receive a federal income tax deduction and Montanans can receive the Montana Endowment Tax Credit.

### Higher Future Income

Fixed annuity payments begin at the future date of retirement you choose. A portion of each payment may be tax free.

# Charitable Remainder Trust

You transfer cash or property to a trust that pays income for your life or a term of years. The remainder goes to charity.

## The Need

You desire to change appreciated property that produces little or no income into a productive asset without paying capital gains tax on the sale of your property.

## The Solution

You contribute appreciated property to a Charitable Remainder Trust that will sell the property tax free and make payments for your lifetime or a specified term of years. The trust may pay income to multiple beneficiaries.

## The Benefits

### Bypass Gain

The trust sells your property tax free.

### Increased Income

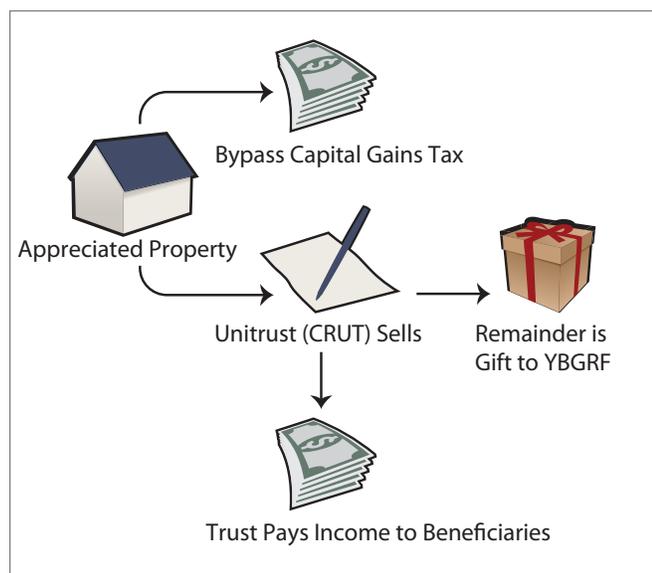
The trust pays you a percentage of its value.

### Tax Deduction/Credit

You will receive a federal income tax deduction and Montanans can receive the Montana Endowment Tax Credit.

## The Details

You transfer cash or appreciated property to the CRT. The CRT is a tax-exempt trust that can sell the property without paying capital gains tax.



## Duration

A CRT can last for the lifetime of one or more beneficiaries or for a specified term of years.

## Annuity vs. Unitrust Payout

A Charitable Remainder Annuity Trust (CRAT) pays a fixed dollar amount each year. By contrast, a Charitable Remainder Unitrust (CRUT) pays an amount equal to a percentage of the trust value at the beginning of each year.

## Taxation of Payouts

The taxation of CRT payouts to you depends on the type of income in the CRT.

## Payout Flexibility

A Unitrust offers flexible payout options. Check with us to see which option is right for you based on your assets and goals.

Yellowstone Boys and Girls Ranch Foundation can serve as trustee, free of charge, for charitable trusts which name Yellowstone Foundation as a charitable remainder beneficiary.

# Life Estate Reserved

You make a gift of your home or farm to Yellowstone Boys & Girls Ranch Foundation and retain the right to use the property for your lifetime.

## The Need

You may desire to leave your home or farm to Yellowstone Foundation at death but would like a current tax benefit.

## The Solution

You can deed your home or farm to Yellowstone Foundation but keep the right to use the home or farm for your remaining lifetime.

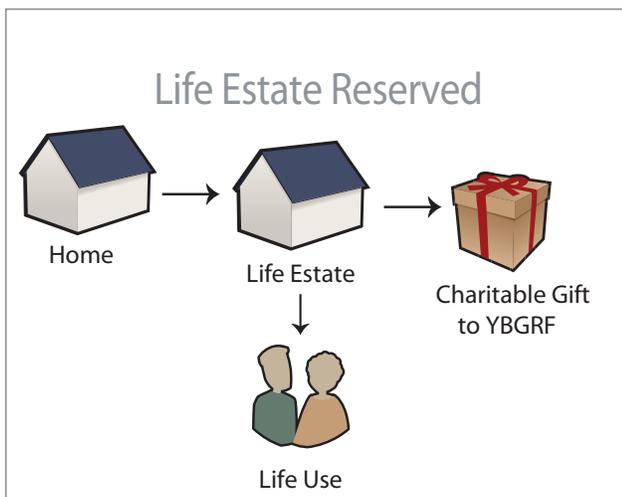
## The Benefits

### Tax Deduction/Credit

You receive a current federal income tax deduction for the present value of the remainder interest in the home or farm. Montanans can also receive the Endowment Tax Credit.

### Preserves Lifetime Use

You are able to use and control the home or farm while alive.



## The Details

You execute a deed transferring your home or farm to Yellowstone Foundation. On the deed, you retain a “life estate” that grants you the right to use the home for life. You receive an income tax charitable deduction for your gift.

## Duration

The Life Estate typically lasts for your lifetime or the life of you and another person.

## MIT Agreement

You agree to be responsible for the maintenance, insurance and taxes while you remain living on the property.



# IRA Rollover Gift

By transferring some of your IRA annual required distribution to Yellowstone, you can lower your taxable income. With lower taxable income, you could reduce your income and capital gains taxes this year, next year, and in future years.

## The Details

If you are 70 1/2 or older, you can make a charitable contribution of up to \$100,000 from your Individual Retirement Account (IRA) to a qualified charity. You will not have to pay federal income tax on the amount given from your IRA to Yellowstone.

## Making an IRA Rollover Gift

To make an IRA Rollover Gift, simply contact your IRA custodian and request an amount be transferred to Yellowstone Boys and Girls Ranch Foundation. Your gift could be \$1,000, \$10,000, or even \$100,000.

## Making an IRA Bequest

If you are not ready to make a gift to us from your IRA this year, consider making a charitable bequest. A bequest of part or all of your IRA permits you to make full use of your funds during your lifetime. We benefit in the future from what remains. Your plan custodian can provide you with a form to designate us as a beneficiary of your IRA.

## The Need

You want to lower your income taxes and make a charitable gift.

## The Solution

You direct all or part of your annual IRA distribution to Yellowstone.

## The Benefits Tax-Free Gift

The amount given from your IRA to us will not be included in your taxable income for this year.

## Qualified RMD

The amount transferred from your IRA to Yellowstone qualifies for your annual Required Minimum Distribution.



**FOR MORE INFORMATION**

**Contact Us:**

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