



California State University, Chico

Strategies For The Future

| | Outright Gift | Revocable Living Trust Bequest | Bequest In Will | Life Insurance Gift | Retirement Plan Gift - Testamentary | Real Estate Gift | Charitable Remainder Annuity Trust | Charitable Remainder Unitrust | Charitable Gift Annuity | Charitable Lead Trust | Donor-Advised Fund | Reserved Life Estate |
|-------------------------------------|--|---|---|---|---|--|---|---|--|--|--|--|
| Tax Benefits | Income tax deduction for the value of the gift and avoidance of tax on capital gains | Possible savings in estate taxes if a charity is a beneficiary of the trust remainder | Estate tax and inheritance tax deduction for the value of donors bequest to charity | Immediate income tax deduction for gift's value | Avoids tax on "income in respect of a decedent" as well as estate tax in the plan | Immediate income tax deductions for the fair market value, plus no capital gains tax due | Income tax savings form deduction, no capital gains tax liability on sale, possible estate tax savings | Income tax savings form deduction, no capital gains tax liability on sale, possible estate tax savings | Immediate income tax deduction for part of gifts value, estate tax savings and reduced capital gains tax and a portion of the income is tax free | Lets Donor pass property to family heirs with reduced gift and estate taxes; Trust income is not taxed to Donor | Current year income tax deduction - Avoid capital-gains taxation - | There is a current year tax deduction based on the property value and life expectancy |
| Income & Other Benefits | Gift may be tailored to the charity's immediate needs or current projects | Terms of the trust can be changed at any time | Allows control over estate distribution and gives Donor flexibility in providing for family needs first | Provides a way to make a significant gift with little expenditure | Preserves plan's value and allows Donor to leave heirs less costly bequests | Allow Donor to live in donors home and still receive charitable deductions | Provides guaranteed fixed lifetime income for donor or other beneficiary | Provides fixed percentage for lifetime income as inflation hedge that could increase if trust value increases. Permits deferred income if desired | Gives Donor and other beneficiary a fixed amount of lifetime income | Substantial reduction to the taxable estate while keeping the asset as a family legacy | Keeping one's name attached to the gift and having annual flexibility when selecting possible charitable causes | Avoid probate - simplify estate settlement - easy method to provide major support for the charity's purpose |
| What is It? | A donation of cash, stocks, bonds, tangible personal property or real estate | A trust which owns assets during your lifetime and names the charity as a beneficiary | A gift the Donor makes by naming a charity in their Will | A gift of an old or new policy with a charity named as beneficiary and owner | A gift made by naming a charity as remainder beneficiary after donors death | A donation of real property, either in full or with a retained life estate | A trust that pays a set amount of income to the Donor (or others) before the charity receives remainder | A trust that pays a set income rate to the Donor (or others) before the charity receives remainder | A contract in which a charity agrees to pay Donor back a percentage of donor's gift annually for donor's lifetime | A trust that pays to a charity an income for a set period of years before Donor or heirs receive the trust remainder | An agreement in which a charity takes custody of donated assets and allows the donor(s) to recommend charitable recipients each year | A legal addition to the property's title, which provides for the current owner to retain full possession for life - after which the charity has possession |
| When Most Suitable | Any age and any income/estate level | Any age and those having complex assets or multi-state holdings | Any age and any income/estate level | Any age and any income/estate level | For those expecting estate taxation and the heirs have suitable personal income or assets. | Any age and any income/estate level | Over age 60 and retired, with high income and sizable estate | Over age 60-75 and retired, with high income and sizable estate | Over age 60 and retired. With a modest income/estate | Over age 60 and retired, with high income and large estate | Planning for current year deduction and unsure about final charitable designations | Desiring to have a direct transfer of their home and will not need the asset if other living arrangements are required |
| Mimumum Size | Unlimited | Unlimited | Unlimited | Unlimited | Unlimited | Typically \$25,000 | Usually \$50,000 (cannot add) | Usually \$50,000 (can add) | \$5000 (cannot add) | Usually \$500,000 | Typically \$10,000 (can add) | Unlimited |
| Charity Benefits | Funds are available for immediate use | The named charity | At the time of death, assets may be passed on to your favorite organization | After the death of the insured, the organization receives insurance proceeds | Proceeds are expediently delivered to the charity and fully utilized without any reduction of value | Immediate use of property and its income - or the proceeds from the property sale | Assures substantial future funding for your charity - Charity may use trust as collateral | Assures substantial future funding for your charity - Charity may use trust as collateral | Lump sum at death, or when reinsured, provides current funding for the organization - Low administration costs | Provides regular, current income to the charity for a period of years | A portion of the regular distributions must benefit the university | Full assurance that future planning for development can include the subject property |
| Legal or Institutional Requirements | Documentation of the value and that nothing of value was received in return | Formal document and retitling of the specific assets | Specific language that designates the charity as a beneficiary | One may chose to name the charity as a beneficiary or as an owner of the insurance policy | Formal designation as a beneficiary. Spousal signature probably required. | Clear title to an undivided interest - qualified appraisal - environmental survey | Legal document - Federal TIN - 5% payout minimum - 10% expected to remainder - Annual tax returns | Legal document - Federal TIN - 5% payout minimum - 10% expected remainder - Annual tax returns | Formal agreement with an authorized issuer & resident state registration | Formal trust agreement - Federal TIN - Annual tax returns - | Formal agreement with the charity and systematic reporting processes | Property appraisal - written agreement with charity (re: upkeep & reserve period) - document new ownership of asset |

For more information regarding these options, contact the Office of University Development at 530-898-5297. The concepts and benefits shown here are illustrations only and are intended to serve as a basis for further discussion with your professional advisors. The actual application of these concepts may be the practice of law and is the proper responsibility of an attorney.