



# *A Proud Heritage... a Promising Future*



*A Guide  
to Gift  
Planning*



REGIONAL PARKS  
**Foundation**  
**Legacy**

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## Our Mission

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he Regional Parks  
Foundation was

established in 1969 to support the East Bay Regional Park District. The Foundation's mission is to support our Regional Parks through fundraising that provides broader public access, resource protection and preservation, education and recreational programs and the acquisition of parklands. One of the top priorities is to ensure that underserved populations have equal access to the East Bay Regional Park District's parks, trails, programs and services.



## The Rewards of Creative Giving

### *Design a plan that fits your needs*



As we confront the challenges of the future, we know that the generosity of those who enjoy the Regional Parks will make all the difference in our success. That is why we seek your support.

We also, however, want to make sure that you benefit from making a gift to the Regional Parks Foundation.

How does this happen? In addition to the satisfaction that comes from knowing you have made a difference in the lives of others, the best gift plans improve your financial and tax situation — often right away.

This booklet allows you to explore opportunities that combine your philanthropic giving with your financial needs and tax-planning strategies. Through creative gift planning you can secure your own financial future, as well as ours.

We can work with your advisors to help you plan for tomorrow and receive maximum benefits today.

### **Potential Benefits:**

- Receive a current income tax deduction.
- Minimize capital gains taxes.
- Increase income and effective rate of return.
- Reduce estate and gift taxes.





## **A Current Will or Trust** **Vital documents**

Have you put off making or updating your will or living trust? Maybe you think it costs too much to do. Perhaps you are having a hard time deciding how to leave your money, or you may simply have an aversion to confronting your mortality.

Drafting these documents may seem like a daunting task at first, until you realize all the good that comes from having them.

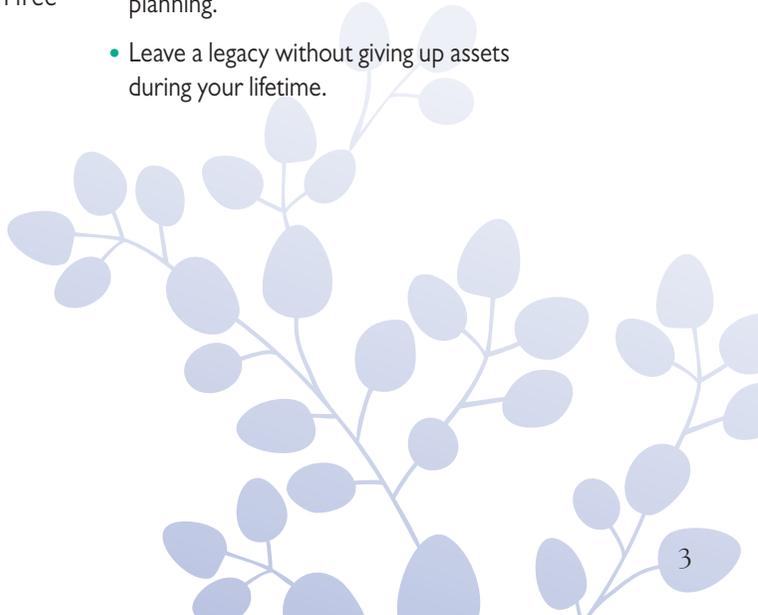
A bequest from either a will or living trust lets you pass any amount you wish to the Regional Parks Foundation free of estate tax.

You can give cash, specific property or a percentage of your estate, with restrictions or without.

To make sure your will accomplishes your goals according to your wishes, we recommend that you obtain the professional counsel of an attorney who specializes in estate planning.

### **Benefits:**

- Provide for your family after your death.
- Distribute your assets according to your wishes.
- Save on estate taxes with proper planning.
- Leave a legacy without giving up assets during your lifetime.





## **Cash**

### ***A quick & easy gift***

A cash gift is one of the most common and easiest methods for making an outright charitable contribution.

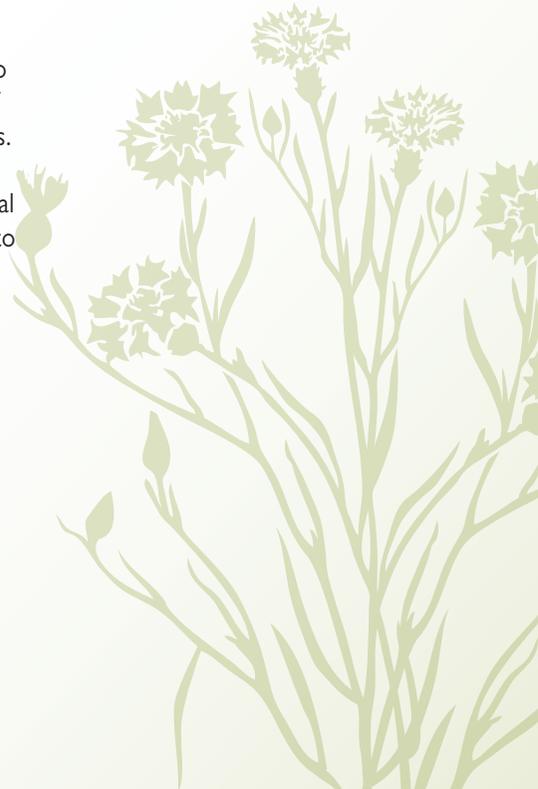
If you itemize income tax deductions on your tax return, the first tangible benefit of making a gift of cash is the tax deduction for the full value of your gift.

The annual limitation on the use of charitable deductions claimed for gifts to public charitable organizations is 50% of your adjusted gross income for cash gifts. Any unused deduction can be carried forward and used for up to five additional years, allowing up to six calendar years to use the deduction.

The second benefit is seeing the immediate results of your generosity. Further you are demonstrating a strong commitment to help support your Regional Parks and contributing to its long-term sustainability.

### **Benefits:**

- Receive a current income tax deduction.
- Reduce your future estate taxes.
- You can determine the exact amount of your desired support.
- Experience the joy of giving today.





## What to Give

### Assets worth donating

Any type of asset that you irrevocably donate to the Regional Parks Foundation results in a current income tax deduction, but there may be other tax benefits from your contribution.

If you contribute appreciated securities, you have the added benefit of avoiding tax on the gain.

You can also give to the Regional Parks Foundation tangible personal property (like an art object, prized collection or antique) and take a deduction for its full fair market value if the gift is used for our exempt function.

These are but two of the types of assets you can donate outright to us today. Using assets other than cash allows you more flexibility when planning your gift, and there are even more potential benefits if you plan your gift creatively.

#### **Benefits:**

- Receive a current income tax deduction.
- Provide relief from capital gains tax for securities, real estate and other appreciated assets.
- Make meaningful gifts with donations of personal property.
- Help fulfill our mission with your contributions.

### Example

#### **Donor**

Bill has stocks currently valued at \$20,000 that he purchased for \$4,000 several years ago, which will result in a \$16,000 capital gain if he sells the securities. He is in a 35% marginal income tax bracket.

#### **Tax-Saving Strategy**

Bill considers donating the stock to the Regional Parks Foundation.

#### **Benefits:**

- Bill receives an income tax charitable deduction for the full fair market value of \$20,000 — saving him \$7,000 ( $\$20,000 \times 35\%$ ) in income taxes.
- Bill never realizes the \$16,000 capital gain, saving \$2,400 in his 15% capital gains tax bracket ( $\$16,000 \times 15\%$ ).
- Total tax savings from capital gains and income taxes is \$9,400.



## Your Retirement Plan Assets

### *Costly to inherit*

Did you know that most retirement plan assets are facing double taxation? Assets remaining in retirement plans funded with pretax dollars are considered “income in respect of a decedent.” So not only is the amount diminished by estate taxes, but the recipient also must pay income taxes on it!

If you can make other provisions for your family, there is a better option for your retirement plan assets — a charitable gift.

To implement your wishes, first consult your attorney, then instruct the plan administrator of your decision and sign the required forms. For an IRA or Keogh plan you administer personally, notify the custodian in writing and keep a copy with your valuable papers.

### **Benefits:**

- Minimize all income and estate taxes when you name the Regional Parks Foundation as the primary beneficiary.
- Receive partial savings when you give us a specific amount before giving your family the remainder.
- Name the Regional Parks Foundation as the contingent beneficiary, which allows for greater flexibility.
- Retirement plan assets could be the most cost-effective gift you can make.



## **Example**

### **John's Estate Plan**

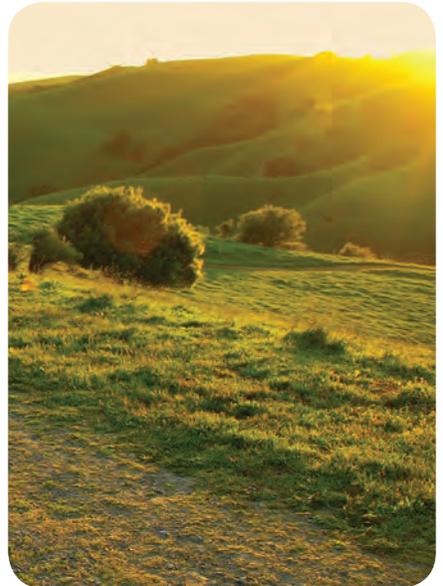
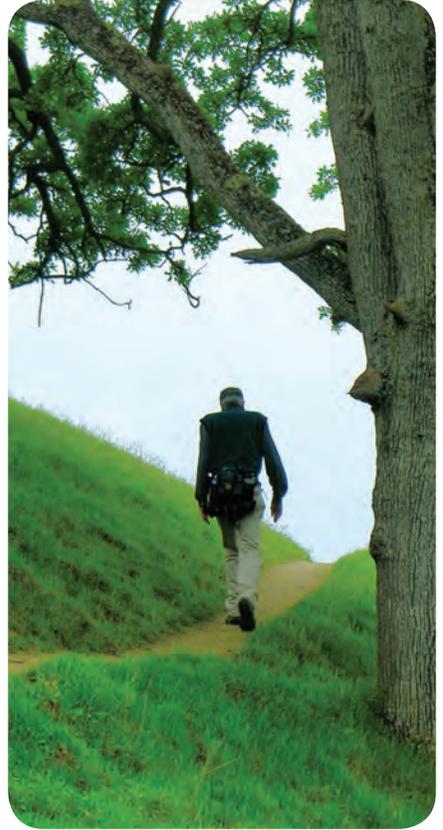
John's estate contains his personal possessions, an insurance policy and a sizable profit-sharing account. John wants to provide for his children, but he also wishes to leave a charitable gift — with the rest of his estate passing to his children.

### **Tax-Saving Strategy**

He considers naming the Regional Parks Foundation as beneficiary of his profit-sharing account.

### **Benefits:**

- The value of John's gift qualifies for an estate tax charitable deduction.
- Assets in the profit-sharing account pass to the charitable organization free of any income tax obligation.
- John's children benefit from other assets in his estate that do not require the payment of income taxes.



# Choose the Gift Option that Matches Your

Your Gift	Bequest	Outright Gift of Cash	Outright Gift of Securities	Outright Gift of Personal Property	Gift of Retirement Assets
Your Goal	Defer a gift until after your lifetime.	Make a quick and easy gift.	Minimize tax on capital gains.	Share your enjoyment of a collection or other personal item.	Avoid the double taxation on IRAs or other employee benefit plans.
How to Make the Gift	Name us in your will or living trust. (Designate a specific amount, percentage or share of the residue.)	Simply write a check or make a cash donation now.	Contribute long-term appreciated stock or other appreciated property.	Donate tangible personal property related to our tax-exempt function.	Name us as the beneficiary of the remainder of the assets after your lifetime.
Your Benefits	Donation exempt from federal estate tax.  Control of your assets for your lifetime.	Immediate income tax deduction.  Removes assets from estate.	Immediate charitable deduction.  Avoidance of capital gains tax.	Charitable deduction based on the full fair market value.	Allows you to make the gift from the most highly taxed assets, leaving non-taxed assets for family.

# Goal

Gift of Real Estate	Retained Life Estate	Gift of Life Insurance	Charitable Remainder Trust	Charitable Lead Trust
<p>Make a gift of property no longer needed and generate an income tax deduction.</p>	<p>Give your personal residence or farm now, but continue to live there.</p>	<p>Make a large gift with little cost to yourself.</p>	<p>Secure a fixed income or create a hedge against inflation.</p>	<p>Reduce gift and estate taxes on assets you pass to children or grandchildren.</p>
<p>Donate property to the Regional Parks Foundation.</p>	<p>Designate ownership of your home to the Regional Parks Foundation but retain occupancy.</p>	<p>Change ownership on a life insurance policy you no longer need.</p>	<p>Create a trust that pays income annually; the principal is donated later to the Regional Parks Foundation.</p>	<p>Create a charitable trust that pays fixed or variable income to us for a specific term of years; the principal is retained for heirs.</p>
<p>Immediate income tax deduction.  Reduction or elimination of capital gains tax.</p>	<p>Valuable charitable income tax deduction.  Lifetime use of residence.</p>	<p>Current income tax deduction.  Possible future deductions through gifts to pay policy premium.</p>	<p>Variable or fixed income for life.  Immediate income tax charitable deduction.</p>	<p>Reduces your taxable estate.  Property eventually goes to your family with reduced estate taxes.</p>



## **Life Insurance**

### ***A versatile tool for many purposes***

When you first obtained your life insurance policies, you obviously felt a need for them. Perhaps you do not need all that coverage today, yet you still have those policies.

If you are thinking about a contribution to the Regional Parks Foundation, a gift of your life insurance could be a sensible, as well as generous, course of action. If you make us owner of the policy, you will normally receive an income tax deduction for the policy's fair market value or cost basis, if lower, on the date of the gift. If you name us beneficiary of the policy (and retain ownership), you will receive an estate tax deduction for the insurance proceeds.

You can also use life insurance to replace the value of a different gift. For example, you could donate stock to us because of the tax advantages and purchase life insurance to benefit your heirs in the amount they would have received had you left them the stock.

### **Benefits:**

- Name the Regional Parks Foundation as owner.
- Receive a charitable deduction when you name us as beneficiary and assign us ownership.
- Reduce your estate taxes because proceeds are removed from your estate.
- Name the Regional Parks Foundation as beneficiary.
- Obtain flexibility by naming us as beneficiary but keeping ownership.
- Name us as contingent beneficiary and secure your family's needs first.





## **Retained Life Estate**

### *An option that lets you have it both ways*

Let us assume you like the tax advantages that a charitable gift of real estate would offer, but you want to continue living in your personal residence for your lifetime. Do you realize you can give the Regional Parks Foundation your home and continue living there?

It is true! This type of gift is called a retained life estate.

A gift of your home (including a vacation home or condominium) or farm, with a reservation of the right to use it for life, results in a charitable deduction on your income tax return.

### **Benefits:**

- Use the residence for your life and/or another person's life.
- Receive income tax savings through a charitable deduction for a portion of your home's value.
- Reduce estate taxes.
- Make a gift of only a partial interest in the property, and receive tax advantages.



## **Real Estate**

### **A tax-wise gift**

Are you thinking of selling land or a building? Beware of capital gains tax!

If you sell your primary residence, you can exclude up to \$250,000 (\$500,000 if you are married) of the gain. This tax break does not apply to other types of real estate, however, so you may have a better alternative.

A charitable contribution of real estate — whether its is your personal residence, a vacation home, a farm, commercial real estate or vacant land — will give you numerous advantages.

When you give your home or other real estate to the Regional Parks Foundation, you create an enduring testimonial of your interest in our mission. Your personal satisfaction is also complemented by valuable tax benefits.



### **Benefits:**

- Receive an income tax charitable deduction for the full fair market value.
- Avoid tax on the property's appreciation.
- Eliminates the challenges of selling your property.
- Make a gift to support a great cause, and reduce your taxable estate.



## Charitable Remainder Trust

### *A gift with built-in flexibility*

A charitable remainder trust is like a combination of a gift and an annuity plan. You place assets in trust, and you receive lifetime income from them — then the Regional Parks Foundation receives the remainder.

The amount you receive as income can be a fixed percentage of the value of the trust assets, redetermined annually, or it can be a fixed amount.

The option of choosing one of five trust variations. A trust with a net income plus makeup provision, for example, pays only the actual trust yield, even if it is below the stated percentage. Then in later years, when the beneficiary needs more income, the trustee can invest the assets to generate a higher return and make up earlier deficiencies.

The Regional Parks Foundation can provide you with more details.

### **Benefits:**

- Receive lifetime income (often greater than the yield on contributed assets).
- Obtain a sizable income tax charitable deduction.
- Avoid up-front capital gains tax if you donate long-term appreciated securities.

### **Example**

#### **Donor**

Mary, aged 60, has stocks currently valued at \$100,000 and yielding a 2% dividend.

#### **How it Works**

Mary transfers the stock to the trust and arranges to receive in quarterly payments 7% of the market value of the trust assets as determined annually.

#### **Benefits:**

- Mary receives an income tax charitable deduction for the charitable portion.
- The first year she receives \$7,000 (7% of \$100,000), a \$5,000 increase in income.
- If the value of her trust increases, so will her income payments. Mary will then have a built-in hedge against inflation.



## **Charitable Lead Trusts**

### ***Preserve an inheritance***

Are you concerned about the possibility of the government taking a huge part of the assets you were planning to leave to your heirs?

There is a strategy to pass assets to your family with significant estate tax savings while making a gift to the Regional Parks Foundation. It is called charitable lead trust.

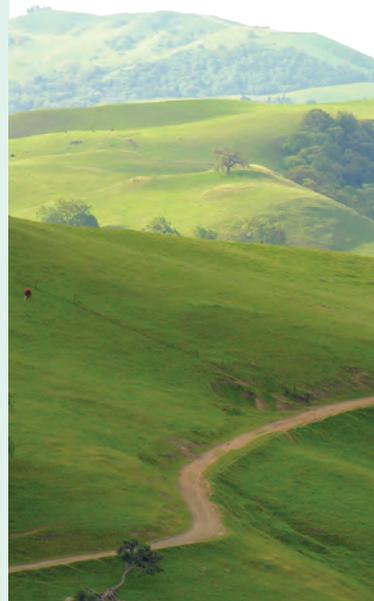
After we receive income from assets in the trust for a period of years, the principal goes to your family, with estate or gift taxes usually reduced or even eliminated.

The lead trust is an exceptional way to transfer property to your children or other heirs at minimal tax cost. It is ideal if you are willing to forgo investment income on an asset but do not want to have estate taxes reduce the principal passed to heirs.

With a lead trust, you can carry out your philanthropic plans over the coming years and save on taxes.

### **Benefits:**

- Fund the trust during your lifetime or through your will.
- Support the Regional Parks Foundation through annual income payouts.
- Reduce your taxable estate and potential gift taxes.
- Keep assets in the family.





## **Donor Circle Membership**

As a Donor Circle Member, you can enjoy all the benefits of Family Membership in addition to assisting others. By becoming a Donor Circle Member, you will help underserved populations to have improved access to the East Bay Regional Park District's parks, trails, programs and services. Donor Circle Membership contributions are directed to where the need is greatest and help to raise funds to provide broader public access, resource enhancement and preservation, and support for educational and recreational programs.

### **Donor Circle Membership Packages**

Tilden Circle .....	\$ 250
Reinhardt Circle.....	\$ 500
Mott Circle.....	\$ 750
'34 Club .....	\$1,200







Sunrise in Sunol.  
Photograph by Deane Little.



### **Mailing Address**

P.O. Box 21074  
Crestmont Station  
Oakland, CA 94620

### **Donations**

510-544-2212

[www.RegionalParksFoundation.org](http://www.RegionalParksFoundation.org)

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**REGIONAL PARKS  
Foundation**

Supporting East Bay Regional Parks