

YOUR CHECKLIST FOR GIVING

This checklist will help guide you through the process of deciding what to give and when to create a fund within the Highland Lakes Legacy Fund.

You want to:	We suggest that you:	In order to:
Reduce income taxes	Contribute cash	<ul style="list-style-type: none"> • Receive a current income tax deduction with a five year carry-over for the unused amount. • Distribute gifts now or later.
Reduce income taxes and avoid capital gains tax on sale of appreciated assets	Contribute appreciated assets outright (i.e. stock or real estate)	<ul style="list-style-type: none"> • Receive income tax deduction for asset's full market share. • Avoid capital gains tax. • Contribute full value to charity. • Possibly receive a greater current tax deduction.
Maximize the benefit of an IRA or Qualified Retirement Plan and minimize taxes	Name the HL Legacy Fund as beneficiary of the plan	<ul style="list-style-type: none"> • Avoid income tax on the plan distributions. • Receive a charitable deduction to estate tax.
Reduce income taxes and retain income for self, spouse or other beneficiary	Establish a charitable remainder trust during lifetime	<ul style="list-style-type: none"> • Receive life income based on full market value of assets. • Realize increased yield from stocks, bonds or real property through tax-free reinvestment and tax-sheltered growth. • Obtain current income tax deduction for value of future gift to charity. • Assign life income to spouse.
Reduce income taxes, retain income for self, spouse or other beneficiary without reducing the money your family inherits	Establish a charitable remainder trust and use the tax savings to purchase life insurance	<ul style="list-style-type: none"> • Replace value of contributed asset in estate through optional purchase of life insurance using income tax savings.
Reduce income tax and contribute residence, farm or ranch to charity at death	Create a life estate with remainder to the HL Legacy Fund	<ul style="list-style-type: none"> • Retain lifetime use of residence. • Reduce taxable estate. • Receive a current income tax deduction with a five year carry-over for the unused amount.

(cont. on back)

A CHECKLIST FOR GIVING (cont.)

Reduce estate tax and contribute part or all of estate to charity	Make a gift by will	<ul style="list-style-type: none"> • Receive estate tax deduction based on full market value of appreciated assets. • Create permanent support for favorite causes. • Simplify administration of charitable bequests. • Make larger gift than may be possible during life. • Make gift contingent on prior death of beneficiary.
Reduce estate tax	Create a charitable remainder trust by will	<ul style="list-style-type: none"> • Provide income to beneficiary for life and then benefit charity.
Pass assets to family while minimizing income and estate tax	Establish a charitable lead trust during life or by will	<ul style="list-style-type: none"> • Provide annual income to charitable fund for specific number of years. • Return assets to family after this period of time. • Reduce estate and gift taxes on property passing to heirs, based on length of trust and value of payout.
Contribute asset that is no longer needed in later life	Contribute life insurance policy	<ul style="list-style-type: none"> • Realize income tax deduction. • Deduct premium payments as charitable contributions.
Reduce estate tax and protect spouse from financial emergencies	Create Q-TIP trust with a charitable remainder	<ul style="list-style-type: none"> • Pay life income to spouse. • Pass assets to charity after spouse's death. • Allow trustee to invade principal for spouse's benefit.

This checklist has been prepared by legal counsel and professional tax advisors to serve as a resource, not as specific advice. **Since situations vary, you are encouraged to seek your own tax and legal advice.**

IRS Circular 230 Notice: We advise you to seek your own legal and tax advice in connection with gift and planning matters. This communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of avoiding tax-related penalties. Neither ACF nor Highland Lakes Legacy Fund provide legal or tax advice.

For additional information please contact The Highland Lakes Legacy Fund office.