

HOW TO GIVE

- *Making a Gift*

Why give to the Foundation?

The Catholic Foundation of Maine offers donors several gifting opportunities to help them fulfill their charitable intentions. By creating a legacy through an endowment fund, the Catholic Foundation ensures a future of perpetual giving.

The specific and primary purpose of the Foundation is the financial support of the various religious, charitable, benevolent, and educational activities of all Catholic organizations, institutions and ministries within the State of Maine, including but not limited to those that are part of the Roman Catholic Diocese of Portland, and Catholic Charities Maine, as such activities are defined and understood within the meaning of Section 501 © (3) of the Internal Revenue Code of the United States.

The execution of its primary purpose shall not prevent the Foundation from supporting religious, charitable, benevolent, and educational activities which are not sponsored or controlled by the Catholic Church, provided that such activities are conducted by organizations which qualify as tax-exempt under Section 501 © (3) of the Internal Revenue Code and the activities and values of which are consistent with the teaching and discipline of the Catholic Church. Determination of acceptability of gifts, distributions of support and establishment of endowment funds will be made in keeping with the policies of the Board of Trustees.

Endowment funds at the Catholic Foundation can support things like:

- Parishes, Churches, Parish Elementary Schools, Diocesan High Schools, Catholic Education, Seminarian Education, Catholic Cemeteries, Catholic Social Services, Catholic Post-Secondary Education, Diocesan-Related Ministries, Mission Work, Music Ministry, Social Justice Ministry, and the Catholic Foundation Unrestricted Fund.

The Catholic Foundation of Maine endowment funds will continue to support and benefit programs, services and needs for the long-term.

- **Establish a Named Endowment Fund**

It takes very little time to establish a named endowment with the Catholic Foundation. As the donor, you name the endowment fund you wish to create. Next, you determine the type of gift you want to open the fund with, and finally designate the purpose of your endowment fund. Named funds also include scholarship endowment funds.

- **Give to an Existing Endowment Fund**

You can also give to an existing fund at the Catholic Foundation through an outright or planned gift. Your gift of any size to any fund is welcome.

- **Establish a Donor Advised Fund** - please contact the Foundation office for specifics on how to establish a donor advised fund. There is a minimum required investment to open a donor advised fund.

- **Name a Parish, School or the Catholic Foundation in Your Will**
Through a bequest or other planned giving vehicle, you can establish a fund in the Catholic Foundation. A legacy gift is the ultimate act of stewardship.
- **Giving to the Catholic Foundation of Maine Endowment Fund**
Many people understand the value of faith-based philanthropy. When you give to the Catholic Foundation of Maine fund, you help us fulfill our mission.

There are many ways to complete a charitable gift, some of which can provide income-tax benefits, regular income to you or another person, gift- and estate-tax deductions on transfers to heirs, and even small business exit opportunities.

Take a look at some of the opportunities below.

A quick and easy way to help support many worthy funds or create a new one. Please call us for details on creating a new fund.

Cash or Check

To send a check, please mail it to:
Catholic Foundation of Maine
P.O. Box 799
Portland, ME 04104

Mail your check, along with a note or notation on the check indicating which endowment fund you wish to donate to.

Investment securities include stock shares, bonds, mutual fund shares, and other types of investments and are often a great alternative to cash as a charitable gift.

Stock Shares and other Securities

A charitable gift of a security that has risen in value may avoid capital gain tax liability, in addition to the income tax deduction.

A security may be used to set up a charitable gift arrangement that provides income back to you.

Please contact the Executive Director at (207) 321-7820 for the up to date stock instructions.

Estate Bequest through your written will or trust

Make a bequest through the Foundation and help almost any Church ministry or other charitable organization. We'll manage endowment funds that benefit one or more organizations or charitable purposes for the long-term and make sure that your gift is used the way you intended.

Setting up a bequest is easy. Tell your attorney to add a statement in your Will that you would like to give a certain amount, percentage, specific asset, or whatever is left over to the Catholic

Foundation of Maine. A written indication from you regarding which specific fund or purpose you would like to support completes the process. We'll send a written acknowledgment back to you for your records. Drawing up your will is fairly easy and inexpensive and will allow you to provide for your loved ones the way you want, rather than have the courts determine who gets what.

Tell us about your charitable estate plans and allow us to make sure that your wishes are carried out precisely."

Multiply the value of your charitable gift by becoming a member of our legacy society and giving others an example to follow. (You always have the option of changing your estate plans, and we will NEVER treat your estate plan as a guarantee of a gift.)

Tell us about your plans and help your designated charity plan effectively; other donors and creditors often base their own decisions on knowing if a charitable organization is getting support from people like you. Contact us for sample bequest/trust language.

Tax-qualified retirement plans and IRAs can be wonderful tools for accumulating savings for retirement.

There are some items to consider, however:

When you withdraw the funds from your plan or IRA (not including Roth IRAs), the withdrawals are generally subject to income taxes, and sometimes penalties.

If you pass the accounts on to others, they will still pay the income taxes and you may be hit with estate taxes also.

Because retirement assets are subject to estate and generation-skipping taxes for transfers to non-spousal heirs, the combination of such transfer taxes and the income taxes can exceed 80%.

Gifts of Retirement Assets

Retirement plan assets may be particularly useful for charitable giving.

Lifetime gifts that are withdrawn from a retirement plan may allow you to earn an income tax charitable deduction that could offset the income tax you would otherwise pay on the distribution.

There are special tax advantages for charitable gifts of shares of employer stock distributed from a retirement plan.

Heirs may prefer to receive other assets from your estate, because retirement plan assets are taxed. The Foundation does not have to pay income taxes on your gift, which allows your money to go further.

Distributions from a Roth IRA are generally not taxable, yet you may enjoy an income tax charitable deduction for the charitable gift.

There are two ways to use life insurance to make a charitable gift:

Designate the Foundation to receive part of the death benefit on a “beneficiary designation form”.

Transfer ownership of a life insurance policy to the Foundation.

Life insurance can be an attractive way to give charitably:

Gifts of Life Insurance

Through regular, relatively small premiums, you will create a relatively large death benefit for the Foundation and your favorite charitable purpose.

If you give ownership of a policy that has some cash value, you may earn an income tax charitable deduction.

If you give ownership of a policy and pay the premiums, you may earn an income tax deduction for the gift of each premium payment.

Some forms of life insurance require very little or no medical exam, limit premium payments for a fixed period of time, or allow you to invest the cash value for an even greater potential death benefit.

Certain arrangements for charitable giving allow you or someone else to receive a regular payment of income during your/their lifetime.

Gifts that provide income to the donor or someone else

These types of giving arrangements can make charitable giving a lot easier:

You can earn an attractive retirement income that gives you the income you need while allowing you to give away larger charitable gifts without giving up security.

A “charitable gift annuity” can give you a guaranteed, fixed income on a regular basis for as long as you live. The older you are, the larger the income payments.

A “charitable remainder trust” can give you income payments that are based on investment performance, and therefore have a potential for increasing over time.

Some arrangements allow you to defer income until when you will really need it. This may mean that the income is greater than it would have been if it started right away.

You may earn an income tax charitable deduction for the charitable portion of your gift, and the income you receive may receive lower tax treatment than other options.

It may be preferable to set up a stream of income for an heir rather than leave them a lump sum of money from your estate.

A gift of closely-held stock is a great opportunity to generate charitable and tax benefits from one of your primary assets. It often requires that the organization receiving the gift understand and cooperate with the donor to ensure the best outcome.

The Foundation is a good partner for charitable gifts of closely-held stock:

You may earn an income tax deduction for the gift as well as avoid capital gain tax liability.

Control issues for any transfer of closely-held stock might be a concern for you. The Foundation will show sensitivity to such concerns in the manner in which it manages and disposes of the shares.

Use of a “charitable remainder trust” may turn an illiquid asset into a stream of income that can last for a period of years or for a lifetime.

It may be possible to diversify holdings over a period of time, create a regular income from dividends to the Foundation, and pass on assets estate-tax free to heirs through a “charitable lead trust”.

Tax-advantaged and control-sensitive business retirement and exit strategies may be available by using charitable giving arrangements.

Small business interests or closely held shares

Gifts of real estate and future gifts that earn income tax deductions now

A charitable gift of real estate is an opportunity to make a big impact with an asset that may otherwise be a burden. There are also special tax-saving opportunities.

Benefits of giving real estate:

You may earn an income tax charitable deduction, and avoid capital gain tax liability.

The real estate might otherwise have been a management and disposal headache for you or for your heirs.

It may be possible to give the real estate and also receive a regular income for life.

A special opportunity exists to leave a house or farm to the Foundation in the future, at your death, and yet receive an income tax charitable deduction NOW for a large portion of the property's value.

If you have income-producing real estate that you would like to pass on to heirs (or a combination of real estate and a liquid asset), you may be able to pass the real estate on to heirs with a significant deduction (sometimes elimination) of gift taxes, through a "charitable lead trust". The real estate and any growth in value will pass to heirs estate-tax free.

If you or your business have income-producing real estate that you wish to hold for long-term growth in value, you can place the real estate in a "grantor charitable lead trust", have the income go to the Foundation for a period of years, earn a large income tax charitable deduction (but pay tax on income as it is received), and then receive the property back at the end of the chosen period.

A "charitable lead trust" gives you an opportunity to reduce the gift- and estate-taxes that may be due for a transfer to one or more heirs.

A "charitable lead trust" may be a true win-win opportunity for many people:

Gifts that reduce gift tax and estate-tax on transfers to heirs

By setting aside a lump sum of assets that pay regular income to the Foundation for a period of years, you may earn significant reductions (sometimes elimination) of gift- and estate-taxes that would have been due on a transfer of those assets to heirs.

When the trust term ends, heirs receive any remaining assets (even if they increased in value) estate-tax free, although some gift taxes may apply.

The assets placed in this arrangement may include income-producing assets such as real estate, securities, and even, sometimes, small business interests.