

Bishop Gadsden's Complete Guide to Charitable Giving

Introducing Bishop Gadsden's Century Society



As our mission statement boldly says, Bishop Gadsden embraces God's call to ministry, serves with integrity, exercises wise stewardship and reaches out with a generous spirit. Our mission is reflected in Bishop Gadsden's giving opportunities, especially through our Century Society.

In 1997, the Trustees established Bishop Gadsden's Century Society. Membership in this organization is obtained by thoughtfully establishing a planned gift, naming Bishop Gadsden as a beneficiary through one's estate plan. Individuals and families who have informed Bishop Gadsden of their future giving plans and those whose gifts have been received have become members of the Century Society. Membership in the Century Society is a perpetual honor.

An Invitation to Join the Century Society

Members of Bishop Gadsden's Century Society have expressed their commitment to the ministry of Bishop Gadsden through a very special and important form of financial support.

These donors have named Bishop Gadsden (legal name – The Episcopal Church Home), as the ultimate beneficiary of a planned gift. Gifts might include a bequest and/or charitable income gift such as charitable gift annuities, charitable remainder unitrusts, charitable remainder annuity trusts, or gifts of life insurance.

Once you complete your estate plans, please let us know, as we would like to prepare for your induction into our Century Society.

Membership Benefits

Your membership involves no dues or obligations, but it does allow us to thank you and recognize you for the plans you have made, and it may inspire generosity in others. Your membership is acknowledged in Bishop Gadsden's Annual Report and placed on our Century Society plaque in Palm Court. Additionally, members are honored during a Century Society Celebration event. However, the most important benefit is knowing that your contribution is helping to ensure the future of Bishop Gadsden.



Popular Giving Opportunities

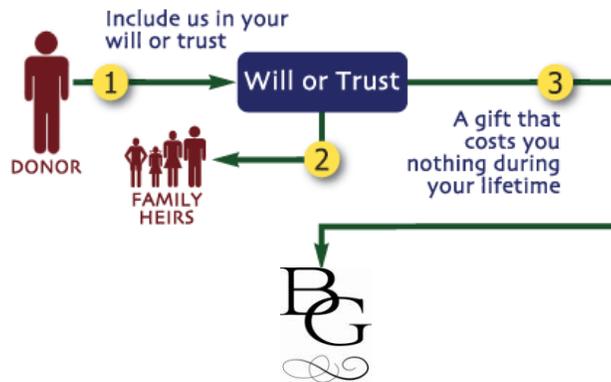
There are many ways you can support Bishop Gadsden, including:

A Bequest

A bequest is a gift that does not cost you during your lifetime, but has a lasting impact.

How it works

- Include a bequest to Bishop Gadsden (legal name – The Episcopal Church Home) in your will or trust.
- Indicate a specific amount, or a percentage of the balance remaining in your estate or trust.
- Make your bequest unrestricted or direct it to a specific purpose, examples include:
 - The Guerry Endowment, benefiting The Resident Assistance Fund
 - Community Leaders Fund
 - Specific Project or Program at Bishop Gadsden



Benefits

- Your assets remain in your control during your lifetime.
- You can modify your bequest to address changing circumstances.
- You can direct your bequest to a particular purpose (be sure to check with us to make sure your gift can be used as intended).
- Under current tax law there is no upper limit on the estate tax deduction for your charitable bequests.

Sample Bequest Language

Naming Bishop Gadsden as a beneficiary of a specific amount from your estate is easy:

I give and devise to The Episcopal Church Home, located in Charleston, SC, the sum of \$_____ to be used for its general support (or for the support of a specific affiliate, fund or program).

Residual Bequest Language:

A residual bequest comes to us after your estate expenses and specific bequests are paid:

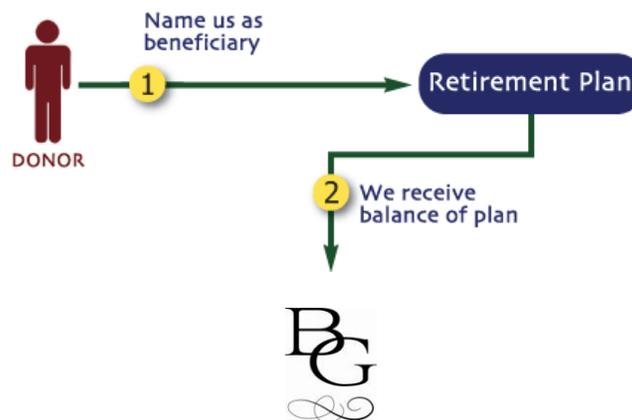
I give and devise to The Episcopal Church Home, located in Charleston, SC, all (or state a percentage) of the rest, residue and remainder of my estate, both real and personal, to be used for its general support (or for the support of a specific affiliate, fund or program).

Retirement Plan

Your retirement plan can be an asset that is subject to double taxation. Why not leave more to your family, while helping Bishop Gadsden at the same time.

How It Works

- Name Bishop Gadsden (legal name – The Episcopal Church Home) as a beneficiary of your IRA, 401(k) or other qualified plan.
- Designate us to receive all or a portion of the balance of your plan through your plan administrator.
- The balance in your plan passes to Bishop Gadsden (legal name – The Episcopal Church Home) after your death.



Benefits

- Avoid the double taxation your retirement savings would face if you designate them to your heirs.
- Continue to take regular lifetime withdrawals.
- You can revoke us as a beneficiary if your family's needs change during your lifetime.

Retirement Plan Beneficiary Language:

You may name Bishop Gadsden (legal name – The Episcopal Church Home) as a beneficiary of your IRA or other qualified retirement benefits. Donors should consult with their tax advisor regarding the tax benefits of such gifts.

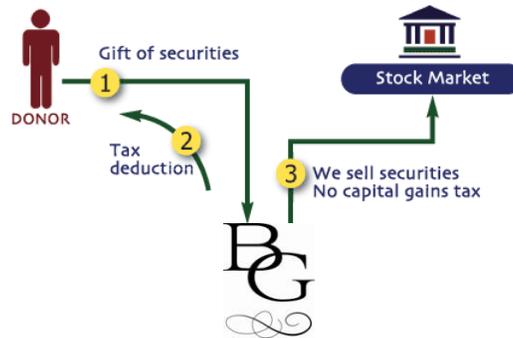
Naming Bishop Gadsden (legal name – The Episcopal Church Home) as the beneficiary of a qualified retirement plan assets such as a 401(k), 403(b), IRA, or profit sharing pension plan will accomplish a charitable goal while realizing significant tax savings. By naming Bishop Gadsden (legal name – The Episcopal Church Home) as a beneficiary of a retirement plan, the donor maintains complete control over the asset while living, but at the donor's death the plan passes to support Bishop Gadsden, free of both estate and income taxes.

Appreciated Securities

Your investments have been growing. Here's how to take advantage of it without incurring capital gains tax.

How It Works

- You transfer appreciated stocks, bonds or mutual fund shares you have owned for one year or more to Bishop Gadsden (legal name – The Episcopal Church Home)
- Bishop Gadsden (legal name – The Episcopal Church Home) sells your securities and uses the proceeds for its programs.



Benefits

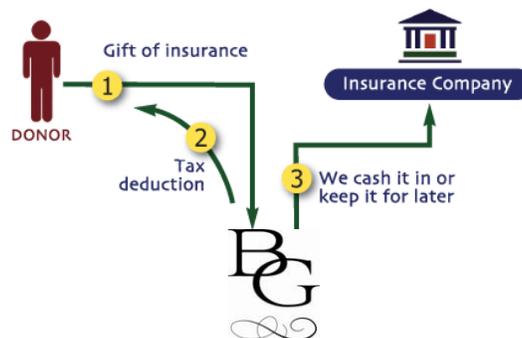
- You receive an immediate income-tax deduction for the fair market value of the securities on the date of transfer, *no matter what you originally paid for them.*
- You pay *no capital gains tax* on the transfer.

Life Insurance

You don't need a large estate to make a significant gift to us. Here's how you can leverage your dollars for a larger gift.

How It Works

- You transfer ownership of a paid-up life insurance policy to Bishop Gadsden (legal name – The Episcopal Church Home) and Bishop Gadsden can cash in the policy now or hold the policy.



Benefits

- Make a gift using an asset that you and your family no longer need.
- Receive an income tax deduction.
- In some cases, you can use the cash value in your policy to fund a life-income gift, such as a deferred gift annuity.

Gifts That Pay You Income

Your gift to Bishop Gadsden does not have to be made outright, because giving plans are available that make payments to you in return for your contribution. You can receive fixed or variable income, take payments for your lifetime or for a term of years, and direct the income to beneficiaries other than yourself. In essence, you make a contribution yet retain benefits from what you give away. Even though we cannot use these gifts until the death of the last income beneficiary, they give us long-term financial strength that will sustain us in the future.

Your charitable deduction is based on the full market value of the assets you contributed, minus the present value of the income interest you have retained. The higher the income payout, the lower the deduction.

Overall Benefits

- An additional source of lifetime income for you, your spouse or other significant persons.
- A potential increase in the income you are currently receiving from your investments.
- An immediate tax deduction for a portion of your gift.
- No capital gains tax due at the transfer of appreciated assets to your gift plan.

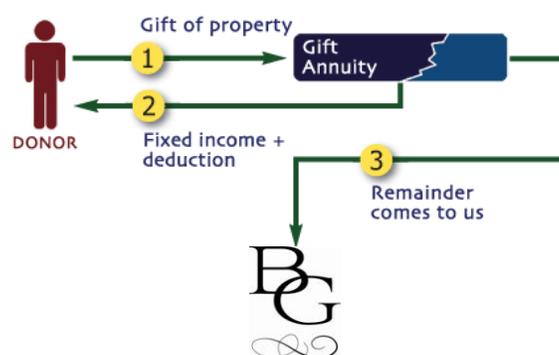
Charitable Gift Annuity - You want secure, stable income and a high rate of return. Your gift can be in cash or stock.

How It Works

- You transfer cash or securities to Bishop Gadsden (legal name – The Episcopal Church Home) and then Bishop Gadsden pays you, or one other beneficiary you name a fixed income for life.
- The remaining balance passes to Bishop Gadsden (legal name – The Episcopal Church Home) when the contract ends at the death of the last beneficiary.

Note:

- Beneficiaries must be at least 70 at the time of the gift.
- Our minimum gift requirement is \$5,000.



Benefits

- Receive dependable, fixed income for life in return for your gift.
- In many cases, you can increase the yield you are currently receiving from stocks or CDs.
- Receive an immediate income tax deduction for a portion of your gift.
- A portion of your annuity payment will be tax-free.

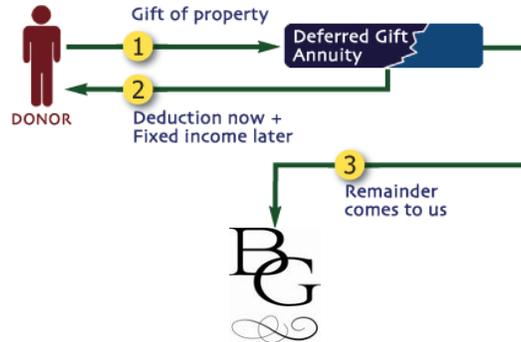
Deferred Gift Annuity - As a younger donor still in high-earnings years, you are still saving for retirement and also trying to lower your income tax.

How It Works

- You transfer cash or securities to Bishop Gadsden (legal name – The Episcopal Church Home).
- Beginning on a specified date in the future, Bishop Gadsden begins to pay you, or up to two annuitants you name, fixed annuity payments for life.
- The remaining balance passes to Bishop Gadsden when the contract ends.

Note:

- You must be at least 70.
- The minimum gift requirement is \$5,000.



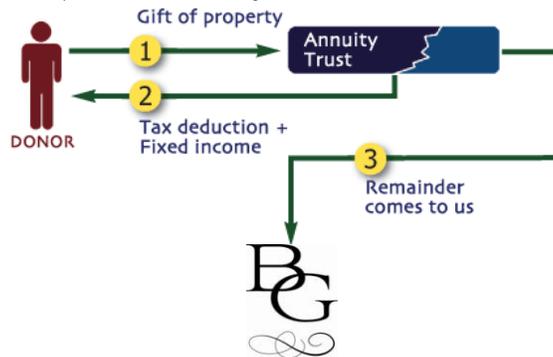
Benefits

- Deferral of payments permits a higher annuity rate and generates a larger charitable deduction.
- You can target your annuity payments to begin when you need them, such as retirement or when a grandchild needs help with tuition payments.
- The longer you defer payments, the higher the effective rate you will receive.

Annuity Trust - You want the flexibility to invest and manage your gift plan, but also the security of stable income.

How it works

- You transfer cash, securities or other appreciated property into a trust.
- The trust makes fixed annual payments to you or to beneficiaries you name.
- When the trust terminates, the remainder passes to Bishop Gadsden (legal name – The Episcopal Church Home) to be used as you have directed.



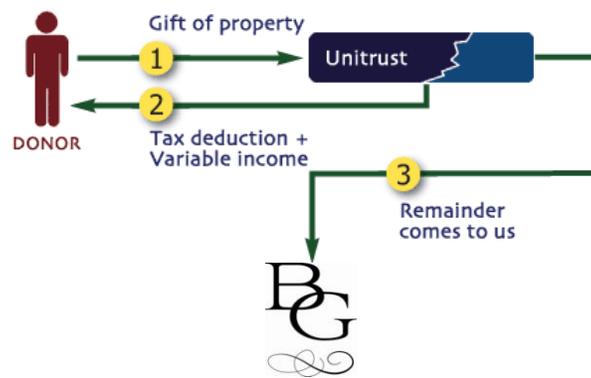
Benefits

- Receive income for life or a term of years in return for your gift.
- Receive an immediate income tax deduction for a portion of your contribution.
- Pay no upfront capital gains tax on appreciated assets you donate.
- Your trust can meet personal or family needs that are tied to a specific timeframe, such as tuition payments.

Unitrust - You want maximum flexibility over the investment and benefits of your gift plan.

How it works

- You transfer cash, securities or other appreciated property into a trust.
- The trust pays a percentage of the value of its principal, which is valued annually, to you or beneficiaries you name.
- When the trust terminates, the remainder passes to Bishop Gadsden (legal name – The Episcopal Church Home) to be used as you have directed.



Benefits

- Receive income for life or a term of years in return for your gift.
- Receive an immediate income tax *deduction* for a portion of your contribution.
- Pay no upfront capital gains tax on appreciated assets you donate.
- You can make additional gifts to the trust as your circumstances allow for additional income and tax benefits.

Gifts That Protect Your Assets

Are you wondering how you will deal with some highly appreciated property, or a growing family business, as your needs and lifestyle change? Will taxes consume much of the value that you have worked so hard to grow? Will anything be left for you and your family?

There are several things you can do to keep control of your assets, or transfer them, at less cost to you – and to make a gift at the same time.

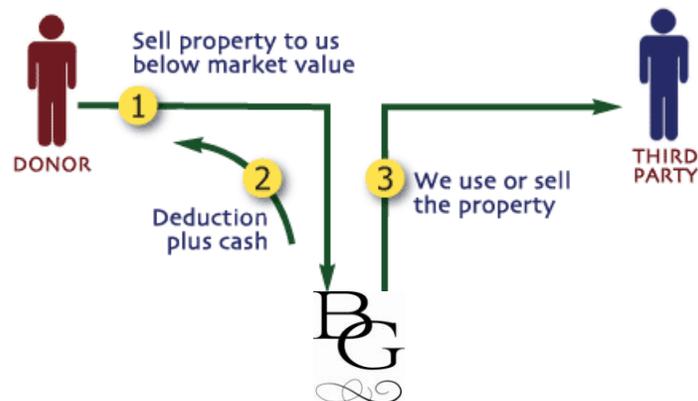
Benefits

- You can donate your home, continue to live in it, and get a tax deduction.
- You can contribute rental property, continue to draw rents, and get a tax deduction.
- You can receive a sum of cash in return for your gift, and apply the cash towards any financial need.
- You can greatly reduce the estate and capital-gain tax cost of passing appreciating assets on to your children.

Popular Giving Arrangements

Bargain Sale

- You sell your residence or other property to Bishop Gadsden (legal name – The Episcopal Church Home) for a price below the appraised market value, resulting in a transaction that is part charitable gift and part sale.
- Bishop Gadsden may use the property, but usually elects to sell it and use the proceeds of the sale for the gift purposes you specified.

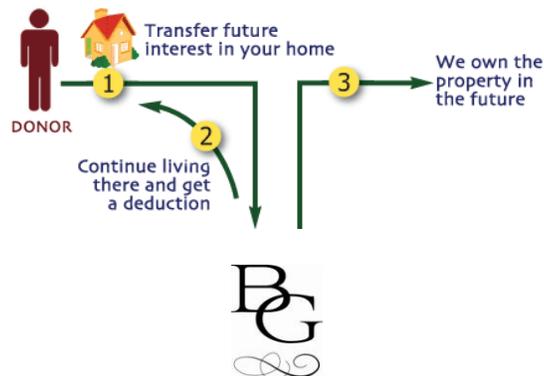


Benefits

- Receive an immediate income tax deduction for the discount you took from the appraised market value of your property.
- Pay no capital gains tax on the donated portion of the property.
- Receive payment from us in a lump sum, or in fixed installments.

Retained Life Estate

- You transfer your residence, farm, or vacation home to Bishop Gadsden (legal name – The Episcopal Church Home) subject to a life estate.
- You continue to live in the property for life or a specified term of years, and continue to be responsible for all taxes and upkeep.
- The property passes to Bishop Gadsden when your life estate ends.

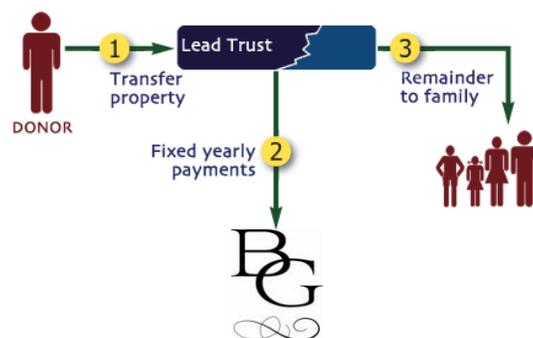


Benefits

- You can give us a significant asset, but retain the security of using it for the rest of your life.
- You receive an immediate income tax deduction for a portion of the appraised value of your property.
- You can terminate your life estate at any time and may receive an additional income tax deduction.

Charitable Lead Trust

- You contribute securities or other appreciating assets to a charitable lead trust.
- The trust makes fixed annual payments to Bishop Gadsden (legal name – The Episcopal Church Home) for a period of time.
- When the trust terminates, the remaining principal is paid to your heirs.



Benefits

- Income payments to us for a term reduce the ultimate tax cost of transferring an asset to your heirs.
- The amount and term of the payments to Bishop Gadsden (legal name – The Episcopal Church Home) can be set so as to reduce or even eliminate transfer taxes due when the principal reverts to your heirs.
- All appreciation that takes place in the trust goes tax-free to the individuals named in your trust.

For Professional Advisors

We believe strongly that before any donor enters into a planned gift with Bishop Gadsden, that they consult their legal and financial advisors.

Please feel free to contact us directly for information or assistance on a confidential basis at 843.762.3300 or 843.406.6334.

Legal Name: The Episcopal Church Home
Tax I.D. Number: 57-0337132
Incorporated In: Charleston, SC

Glossary of Planned Giving Terms

Actuarial - As used in planned giving, refers to the factors used to calculate the value of lifetime payments to individuals or organizations.

Appreciated Property- Securities, artwork, real estate, or any other property that has risen in value since the donor acquired it. Generally, appreciated property held by the donor for a year or more may be donated at full fair market value with no capital gains cost.

Annuity - A contractual arrangement to pay a fixed sum of money to an individual at regular intervals. A **charitable gift annuity** is a gift to Bishop Gadsden that secures fixed lifetime payments to the donor and/or another individual.

Adjusted Gross Income ("AGI") - The sum of an individual's taxable income for the year – the total at the bottom of the first page of the 1040. Individuals may deduct charitable cash contributions up to 50% of AGI; they may deduct gifts of appreciated securities and appreciated property up to 30% of AGI.

Appraisal - An assessment of the value of a piece of property. Donors contributing real or tangible personal property (art, books, collectibles, etc.) to us must secure an independent appraisal of the property to substantiate the value they claim as a charitable deduction.

Basis - The donor's purchase price for an asset, possibly adjusted to reflect subsequent costs or depreciation. If Mrs. Quinn bought stock for \$100 per share and sold it for \$175, her cost basis in the stock is \$100 per share.

Beneficiary - The recipient of a bequest from a will or a distribution from a trust.

Bequest - A transfer of property to an individual or organization under a will.

Capital Gains Tax - A federal tax on the appreciation in an asset between its purchase and sale prices.

Cost Basis - See Basis, above.

Endowment Fund - The permanently held capital of a non-profit used to support ongoing projects and meet institutional opportunities.

Estate Tax - A federal tax on the value of the property held by an individual at his death (it's paid by the estate, not the recipients of the bequests). In contrast, state inheritance tax is applied to the value of bequests passing to beneficiaries; it is also paid by the estate before the distributions are made.

Executor - The person named in a will to administer the estate (known in some states as the "personal representative").

Fair Market Value - The price that an asset would bring on the open market.

Grantor- The individual transferring property into a trust.

Income Interest - In a trust, the right to receive payments from the trust for lifetime or a term of years.

K-1 (and 1099-R)- IRS forms that beneficiaries of life-income gifts receive, detailing the taxable nature of the payments they received during the year.

Life Income Gift - A planned gift that makes payments to the donor and/or other beneficiaries for lifetime, then distributes the remainder to us.

Personal Property - Securities, artwork, business interests and items of tangible property – as opposed to "real property," used in planned giving to refer to land and the structures built on it.

Personal Representative - See **Executor**, above.

Remainder - In a trust, the portion of the principal left after the income interest has been paid to the beneficiary(ies). A charitable remainder trust pays income to the benefactor or other individuals and then passes its remainder to us.

Remainderman - A legal term for the individual or organization who receives the trust principal after the income interest has been satisfied.

Testator - The individual making the will.

Trust - A transfer of property by the grantor to the care of an individual or organization, for the benefit of the grantor or others.

Trustee - An individual or organization carrying out the wishes of the person who established the trust, paying income to the beneficiaries and preserving the principal for ultimate distribution.