

## Assets We Accept

### WHAT ASSETS CAN BE USED TO ESTABLISH A FUND AT THE FOUNDATION?

Generally, The Winston-Salem Foundation accepts the following gifts:

**Cash and Credit Cards:** Cash, usually in the form of a check, is an easy and convenient way for you to support worthy causes in the community. You may also give by credit card (note that fees, which vary by provider, are netted from the gift). Cash and credit card gifts enable you as a donor to claim a tax deduction of up to 60% of your adjusted gross income in any one year when you itemize deductions, with the excess, if any, carried forward for an additional five years. Actual savings from gifts of cash depend on your tax bracket – the higher the tax bracket, the higher the deduction.

**Securities:** Gifts of appreciated securities offer important tax advantages, since their full fair market value is deductible as a charitable contribution of up to 30% of your adjusted gross income each year when you itemize deductions. Like gifts of cash, deduction amounts that exceed the limit can be carried forward for up to five additional years. You do not have to pay capital gains taxes on the appreciated portion of your gift if the gain is considered to be “long-term.”

After the Foundation liquidates the securities and pays the broker’s commission, the full value of the gift is available to support your charitable goals. The Foundation can accept gifts of publicly traded stock, publicly traded bonds, closely held stock, restricted stock, partnership interests (including family limited partnerships), and mutual funds.

**Bequests:** Naming the Foundation in your Will or living trust is a popular way to support the community. A charitable bequest can be a specific dollar amount, a percentage of your estate, or what remains after other bequests – including those to family members – are made. Or, your Will can specify that your heirs receive lifetime income from your estate, with the remainder going to the Foundation for charitable purposes. The bequest can flow into any type of fund you choose in order to meet your charitable goals.

**Beneficiary Designation:** The Foundation can be named as a beneficiary of a variety of assets, including: retirement plan assets, life insurance, commercial annuities, bank accounts, certificates of deposit, or brokerage accounts.

**Life Insurance:** For those whose need for life insurance has decreased, making a gift of an unneeded policy can be a convenient and effective way of meeting your charitable goals. When you transfer ownership of a cash value policy to the Foundation, you become eligible for a charitable tax deduction. A gift of life insurance can also be a part of your estate planning.

**Retirement Plan Assets:** Retirement plan assets are often the best to give because they are so heavily taxed if left to heirs at death. Income and estate taxes can easily consume a large

portion of the account balance. By naming the Foundation as the beneficiary of these assets, you can leave a very efficient legacy after death.

**Lifetime Charitable IRA Rollover:** Holders of traditional and Roth IRAs who are at least 70 ½ years old can make direct charitable transfers up to \$100,000 per year per taxpayer. As a qualified public charity, the Foundation can help you execute the transfer to an existing fund or create a new one. With passage of the SECURE Act in 2019, the required beginning date for mandatory distributions (RMD) from an IRA increased from 70 ½ to 72. The Charitable IRA Rollover can be used to satisfy the RMD.

*Please note: The law does not allow charitable rollovers to donor-advised funds, Charitable Remainder Trusts, or supporting organizations, but there are a variety of other charitable funds that can be established, including designated, scholarship, field-of-interest, and unrestricted funds.*

**Real Estate:** The Winston-Salem Foundation can accept the gift of a house or other personal residence, farm, commercial building, and undeveloped land. A gift of real estate that you have owned for more than a year entitles you to the same federal tax advantages as those for gifts of securities – a tax deduction for the fair market value of the property – while allowing you to avoid paying capital gains tax.\*

**Personal Property:** The Foundation can accept gifts of personal property, such as artwork and jewelry. After expenses and the liquidation of the personal property, the full value of the gift is available to support your charitable goals.\*

\*Gifts of real estate and personal property in excess of \$5,000 require a qualified appraisal to determine the charitable deduction.

*For more information, visit [wsfoundation.org](http://wsfoundation.org) or call the Foundation at (336) 725-2382. The Winston-Salem Foundation does not provide legal or tax advice. Donors should consult directly with their legal and tax advisors before making any gift to the Foundation.*