

GIFTS OF SECURITIES & REAL ESTATE

*“Amen,
I say
to you,
whatever
you did
for one of
these least
brothers
of mine,
you did
for me.”*

**Matthew
25:40**



As you consider making a charitable gift to the Catholic community of northern Michigan, a gift of real estate or publicly traded stock made to the Northern Michigan Catholic Foundation (NMCF) may be a convenient way for you to help support the Catholic community of northern Michigan while also receiving personal tax savings. Gifting securities or real estate through the NMCF helps assure that the Catholic parishes, schools and ministries we all love so much will continue to flourish in the future.

By making a charitable gift of real estate or securities through the NMCF, you can designate the gift to the parish, school or ministry within the Diocese of Gaylord that is closest to your heart. Listed throughout this brochure are some details of how to make a charitable gift of real estate or securities. There are several additional gifting options utilizing securities and real estate other than those listed in this brochure. We advise you to consult your tax professional and/or financial advisor to determine the gifting option that is most applicable to you and your financial situation.

As you look to make a gift of either real estate or securities, we ask that you contact a NMCF representative to confirm that the gift is acceptable under the NMCF gift acceptance policy.

Northern Michigan Catholic Foundation

The NMCF is a separately incorporated endowment-based fiduciary body that supports the Catholic ministries in northern Michigan. By naming the NMCF as the beneficiary in your estate plan, your legacy will live on in perpetuity. The NMCF allows donors, like you, to designate a specific ministry, such as your parish, school, or diocesan programs, or you can leave the gift undesignated to meet the needs of the Diocese of Gaylord as they are determined by the NMCF Board of Directors each year.

Making an Outright Contribution with Securities

When considering an outright charitable contribution utilizing stock, it is best to take a look at your stock portfolio and consider gifting a stock that has appreciated in value. Making a gift of such stock can be very advantageous to both you and the NMCF. For example, if you donate stock that you purchased for \$2,000 or more 12 months ago, and it is now worth \$10,000, you get a deduction for the full \$10,000 in addition to other forms of tax savings. If you sell the stock for the purpose of making a contribution, you first have to pay capital gains taxes. These taxes are avoided if the stock is contributed “in kind”.

In addition to making an efficient gift – a gift that costs you far less than the amount donated – you may not have to sacrifice much immediate income to make a significant contribution. By making such a gift to the NMCF, you are making a very efficient and effective contribution to help fund the Catholic community of northern Michigan.



611 W. North Street
Gaylord, MI 49735

Phone: 989.732.5147
Fax: 989.705.3589

nmcf@dioceseofgaylord.org



Providing for the future of Catholic ministries
throughout the Diocese of Gaylord

Tax Savings of Outright Gifts of Securities

Gifts of appreciated securities can provide you with several potential tax benefits. To determine the tax benefits that apply to you and your financial situation, please consult your tax advisor.

Income Tax Deduction

By making an outright, charitable contribution of securities you are able to receive an income tax deduction if you itemize deductions on your federal income tax return. The amount saved by the deduction depends on your tax rate. You will want to consult with your accountant to learn how the deduction applies to you.

Capital Gains Tax Avoidance

When gifts of stock or property have appreciated in value, an advantage of gifting the asset to the NMCF is the avoidance of capital gains tax. Adding the savings of capital gains tax to the income tax deduction decreases the net cost of the gift to you, the donor.

Federal Estate Tax Reduction

As you review your estate, it is important to note that gifts made today reduce the value of the estate for the future. Therefore, your gifts reduce the federal estate tax that may otherwise be imposed when your beneficiaries inherit your estate.



Transferring Gifts of Securities

To transfer a gift of securities to the NMCF, it is essential that the transfer is recorded accurately and includes the correct account information. It is important that you or your broker contact the NMCF at (989) 732-5147 for detailed instructions.

Acknowledgement of your Gift

You will receive an acknowledgment letter from the NMCF to use for tax purposes. The letter will confirm the receipt of your gift, the date, name of security and shares received.

Gift Acceptance Policy

When considering gifting securities or real estate, it is important to contact a Northern Michigan Catholic Foundation representative to confirm that the gift is acceptable by the NMCF Gift Acceptance Policy.

Making a Contribution with Real Estate

There are several options to consider when making a charitable gift of real estate. For instance, you may consider making an outright charitable contribution by gifting full title to your real estate directly to the NMCF, or you may consider gifting title to your real estate, but subject to a reserved life estate. You can also place the property in a trust or gift it through your will, naming the NMCF as your beneficiary.

If you've owned your home or other real estate for a number of years, it is very likely that the real estate has increased in value. Therefore, when you sell the property, the sale may be subject to capital gains tax on the property's appreciation.

Before you simply sell your real estate, you may want to consider gifting it to the Catholic community of northern Michigan by conveying title to the NMCF and designating the gift to a parish, school or Catholic ministry in the Diocese of Gaylord.

When you make a charitable gift of real estate to the NMCF, you are helping sustain the Catholic community of northern Michigan, while also receiving tax savings.

If you've held the property for more than one year, you obtain an income tax charitable deduction equal to the property's full fair market value. At the same time, you also avoid capital gains tax on the property's appreciation and the gift also reduces your taxable estate. To determine the tax benefits that apply to you and your financial situation, please consult your tax advisor.

Gifts of Your Home – Enjoying its Use for Life

If you would like to maximize the tax advantages a charitable gift of real estate offers, but you would like to continue living in your home for your lifetime, you can establish a reserved life estate with your home.

With such a policy, you can deed your home to the NMCF and retain the right to occupy your home as detailed in the life estate agreement. Even though the NMCF does not actually take possession of the residence until after the lifetime of the tenant(s) you've named, you receive an immediate income tax charitable deduction because the gift cannot be revoked. The amount of deduction depends on the value of the property and the age of the life tenants.

With this type of gift, you retain the rights and responsibilities of ownership (maintenance, taxes, insurance, etc.), other than disposing of the real estate at the time of your death.

To further explore the possibilities of a life estate arrangement, meet with your estate planning attorney, or contact the NMCF.

For more information about the NMCF or the gifting options utilizing securities or real estate, please contact the NMCF at (989) 732-5147 or nmcf@dioceseofgaylord.org

