



Legacy

Gift Planning Ideas for Friends and Alumni of Young Harris College

Young Harris College Planned Gift Society Named for William and Harriet Hill

Few couples have had as great an impact on the physical and financial landscape of Young Harris College as William Harry Hill and Harriet Hargrove Hill. Dr. Hill, a longtime trustee of the College and Tennessee Walking Horse enthusiast, has played an integral part in establishing the planned giving program at Young Harris College.

“The College is an important part of my estate planning. My wife and I do not have children, so we consider the College to be our child. We want to do what we can to ensure that Young Harris College is financially strong for the future,” Dr. Hill said.



Harriet and William Hill

The Hills have long been aware of the importance of planned giving and have used the Charitable Remainder Trust as one way to carry out their estate planning goals. While each individual donor has different desired outcomes, the Hills have found that this estate planning tool best meets their needs while providing a lasting benefit to Young Harris College.

Members of the W. Harry and Harriet Hill Society for Planned Gifts, like the Hills, realize that the planned gifts they have made to Young Harris College will provide substantial financial assistance for years to come.

If you are interested in learning more about how you can leave a lasting legacy at Young Harris College, please contact the Office of Advancement at (706) 379-5173. If you have already made a planned gift to Young Harris College, please notify the Office of Advancement so that you may be included in the Hill Society and in future planned giving seminars.

Year-End Planning

- Complete all gifts by December 31 to qualify for tax savings on your 2009 income tax return.
- Keep all receipts and acknowledgment letters, especially for gifts of \$250 or more.
- Consider using securities to make gifts. Such gifts can yield greater tax benefits.
- If you are age 70½ or older, check with us or your advisors about tax-free IRA gifts in 2009.

INSIDE:

- Time your gifts for maximum benefit
- A special opportunity for IRA gifts

What, When, and How to Give

IRA Gift



Alleen Bratton

Thanks to an extension of the Pension Protection Act of 2006, alumni and friends of Young Harris College may make tax-free gifts from their traditional or Roth IRA to the College. (See article on page 3.)

YHC Trustee, Alleen Bratton, has made such a donation to the College and was very pleased with the ease of the transaction.

“Trustees of any institution are expected to share their judgment, their wisdom, their vision, their experience, and their material goods with the object of their trust. Giving from an IRA provides additional income tax benefits and requires only a telephone call and a signature.”

If you would like more information regarding this or any other planned giving option, please contact Jennifer McAfee in the Office of Advancement at (706) 379-5318 or jmcafee@yhc.edu.

As you consider how best to make your charitable gifts this fall, you may want to pay special attention to what to give and the timing of your gifts.

What to give?

Because you do not pay income tax on gifts you are allowed to deduct, you may be able to make larger gifts at a lower after-tax cost. The property you choose to give can make a difference as well.

Cash and checks are the most popular ways to make charitable gifts. When such gifts are deducted on your federal tax return, it can be possible to eliminate tax on up to half of your adjusted gross income (AGI). Larger gifts may be used to reduce taxes in up to five additional years.

In addition, unlike certain other deductions, charitable gifts are deductible from both regular and alternative minimum taxes.

Tax-efficient giving

Keep in mind that securities and certain other assets that are worth more than they originally cost are generally deductible at their full current value. In other words, you are allowed to deduct not only what you paid, but also any “paper profit” or gain in the investment. As a result, you receive two benefits: a tax deduction based on full current value, and a bypass of capital gains that would otherwise be due on a sale. These gifts are deductible in amounts up to 30% of your AGI.

For example, John and Sarah Smith normally make charitable gifts in the form of cash. This year they decide to instead give stock that is still worth nearly twice what they paid for it. They are then able to deduct the full value of the stock while completely eliminating capital gains tax.

Give stock and “keep” it

Sharon Jones owns securities that have grown in value but hesitates to use them to fund a gift as she believes they may further appreciate in the future.

Instead of giving cash this year, Sharon is advised to make a gift of these securities. She is then entitled to a tax deduction for their full value. Sharon decides to use the cash she was otherwise planning to give to repurchase the same number of shares of the same stock at the current market price.

She now owns as many shares as before, but with a new, higher cost basis. If the new shares increase in value, she will have less gain to report when she eventually sells the stock. If their value declines, she may be able to deduct her loss for tax purposes.

Make the most of losses

If you have investments that have *decreased* in value since you have owned them, consider selling them, creating a loss you may be able to deduct, and giving the cash proceeds. This can result in tax deductions that possibly total more than the current value of the investment. The losses realized in this way may be used to offset other gains you may have incurred.

Check with us or your advisors for more information about tax-favored gifts of securities and other appreciated—or, in some cases, depreciated—assets.

Tax-free IRA Giving

If you are like many, a large portion of your assets may be held in the form of Individual Retirement Accounts (IRAs) and similar retirement plans. Did you know that such funds may actually represent a convenient “pocket” from which to make charitable gifts?

Special opportunity

If you are 70½ or older and have a traditional or Roth IRA, you may be pleased to learn of a special opportunity. This year, you are allowed to make gifts directly to charitable recipients from these accounts on a totally tax-free basis. Amounts up to \$100,000 may be given in this way.

Taking advantage of this opportunity can be especially attractive if withdrawals in past years have caused your Social Security income to be taxed at higher rates, if you have reached the limit for the amount of charitable gifts you can deduct, if your state does not allow deductions for charitable gifts, and in certain other circumstances.

Deadline approaching

Unless Congress acts to extend it, this special tax planning incentive will expire at the end of 2009. Check with your plan administrator or other advisors for more information.



Review Estate Planning Options

It now appears certain that federal estate tax laws will be changing. As a result, it may be time to review your long-term plans, with special attention to how changes may affect you and your loved ones. Charitable gifts can be made from arrangements you may already have in place, or you may choose to use special tools that feature current tax savings, increased income, and other benefits.

Gifts from existing plans

You can make meaningful, lasting gifts in one or more of the following ways:

- Through your will or living trust.
- By making a charitable interest a beneficiary of all or a portion of the remainder of retirement plan accounts.
- By giving a share of the proceeds of life insurance policies no longer needed for their original purpose.
- By designating beneficiaries of bank or brokerage accounts.

Other options

There are also ways to give that enable you to make charitable gifts to Young Harris College today while retaining income or the use of property for yourself and/or your loved ones. You may benefit from professional asset management as well as capital gain and other tax savings.

Please do not hesitate to contact the Office of Advancement for more information.



A Quick Guide to Giving to Young Harris

| TO GIVE ... | DO THIS ... | AND SAVE ... |
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| <p>Cash</p> | <p>Give by check or other means of giving cash.</p> | <p>By deducting gifts up to 50% of your adjusted gross income in any one year; carry over any excess into as many as five tax years.</p> |
| <p>Securities</p> | <p>Send unendorsed stock certificate in one envelope and a signed stock power form in another envelope. The gift is complete on the postmarked date of the later envelope. If you do not have the stock certificate or if you are giving mutual funds, contact your investment advisor to arrange the gift.</p> | <p>By deducting the full current value of the stock and bypassing any capital gains tax which might be due on a sale. Deduct such gifts up to 30% of your adjusted gross income in any one year; carry over any excess into as many as five tax years.</p> |
| <p>2009 IRA Gifts</p> | <p>Over age 59½ If you are beyond the age at which a penalty is imposed for withdrawals, notify your plan administrator that you would like to withdraw amounts sufficient to fund charitable gifts you plan to make this year.</p> <p>Over age 70½ You can arrange for tax-free charitable gifts directly from a traditional or Roth IRA up to a total of \$100,000 in 2009.</p> | <p>Over age 59½ While you will report the amount of the withdrawal as income this year, you may be entitled to an offsetting federal income tax deduction for the amount of your charitable gifts, thereby completely avoiding tax on the amount of the withdrawal. Consider giving these funds, as they may otherwise be largely depleted in the future by federal estate and income taxes when received by you and/or your heirs.</p> <p>Over age 70½ Regardless of whether you itemize your deductions or experience other limitations on credits or deductions, amounts distributed directly to Young Harris are excluded from your taxable income.</p> |

The purpose of this publication is to provide general gift, estate, and financial planning information. It is not intended as legal, accounting, or other professional advice. For assistance in planning charitable gifts with tax and other financial implications, the services of appropriate advisors should be obtained. Consult an attorney for advice if your plans require revision of a will or other legal document. Tax deductions vary based on applicable federal discount rates, which can change on a monthly basis. Some opportunities may not be available in all states. ©MMVIII RFSCO, Inc. All Rights Reserved. NYD2X-09

For more information, please contact:



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