The warm feelings of the season are settling in, family plans are being added to the calendar and stores are preparing for the annual rush—the holidays are upon us! Often paired with this time of year are hopes to surprise our loved ones with special gifts that mean a lot to them. But giving great gifts is not an easy task. Many times it’s because people already seem to have everything, or the hectic rush of this time of year makes holiday shopping a chore. But there are other, very positive routes for gift-giving, and they start with a reflection of what is truly dear to you and those you love.

Honor Gifts: A New Twist to Your Holiday Giving

This holiday season, consider adding “honor gifts” to your list of giving ideas. If any of your loved ones hold a charitable cause, such as Young Harris College, close to their hearts, you could make a significant gift to us in their honor. By making an honor gift in a loved one’s name, you’ll establish a living tribute to him or her that:

- is always appreciated;
- carries significant meaning; and
- supports our work during a time of great need.

How to Complete Your Gift

Making an honor gift to YHC is easy. We have many options to help you honor someone special today and would be happy to help you choose one. Once you’ve chosen the option that works best for you, simply let us know that your donation is an honor gift. We’ll issue a tax receipt to you for your contribution. And, if you wish, we’ll announce your gift to the honoree—without stating the amount.

If you have any questions about making gifts in honor of loved ones, please contact Jennifer McAfee at (706) 379-5318 or jmcafee@yhc.edu. We would be happy to help you.
Assembling an Estate Planning Team
Who Plays What Role?

If you’ve been thinking about compiling the important documents that make up a secure estate plan, you might be wondering, Where do I start? or Who do I call first? Keep reading to find out where to start and who to go to for additional assistance.

• Attorney: You’ll most likely want to start with an estate planning attorney. The bulk of your estate plan is made up of legal documents such as a will, a trust, powers of attorney, living wills, etc., and only an attorney can prepare these documents on your behalf.

Extra Help
Depending on the size and complexity of your estate, your attorney may recommend adding the following professionals to your team:

• Trust officer: This professional can assist with any trusts in your plan that are created now (e.g., a revocable living trust) or at your death for your spouse, children or other loved ones.
• CPA/tax professional: Your estate plan may also require a review of tax issues such as income, estate, gift and capital gains, making a tax professional a crucial team member.

• Insurance professional: An estate plan reviews the amount of life insurance that may be needed at your death to provide for survivors’ needs. In addition, for larger estates, life insurance may be needed to pay federal or state estate taxes.
• Gift planning officer: If you’re considering including Young Harris College in your estate plans, Jennifer McAfee, director of development and planned giving, can work with your estate planning team to develop the best gift plan to meet your needs and ours.

TIME IS RUNNING OUT!
If you’re 70½ or older, your chance to make tax-free gifts from your IRA for 2011 ends Dec. 31. You can transfer up to $100,000 directly from your IRA to a qualified charity like YHC. The transfer generates neither taxable income nor a tax deduction, so you don’t have to itemize to take advantage of this opportunity. Contact us to learn more or to make your gift.
Using Stock as a Charitable Gift
An Option With Double the Tax Benefits

Despite any market uncertainty of late, many of your investments are likely still worth more today than what you originally paid for them. And if you sell, you would pay capital gains taxes at a maximum rate of 15 percent. But by using appreciated securities you’ve owned for more than one year as a charitable gift, you will receive two tax benefits:

(1) You are entitled to a federal income tax deduction based on the current fair market value of the securities, regardless of their lower original cost.
(2) You will be exempt from paying capital gains taxes on any increase in value—taxes you would pay if you were to sell the securities.

And now is a particularly appealing time to give because if you make your gift by Dec. 31, your tax benefits could be effective on this year’s tax return, if you itemize.

Case Study
Cash vs. Stock: Which Gets More Bang for Your Buck?
Throughout her working years, Kim saved and invested diligently to prepare for retirement. Now that she is 65, she is ready to diversify her portfolio and wants to use $100,000 in stock (which she originally purchased for $10,000, resulting in a $90,000 gain) to fund a gift to Young Harris College. Take a look at the chart below to see how Kim will benefit from giving her stock directly to us as opposed to selling it and donating the proceeds.

<table>
<thead>
<tr>
<th>Kim’s Gift Options</th>
<th>If Kim Sells Her Stock and Donates The $100,000</th>
<th>If Kim Gives Her $100,000 in Stock Directly to Us</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kim’s income tax savings ($100,000 x 28% tax bracket)</td>
<td>$28,000</td>
<td>$28,000</td>
</tr>
<tr>
<td>Federal capital gains tax owed ($90,000 x 15%)*</td>
<td>– $13,500</td>
<td>$0</td>
</tr>
<tr>
<td>Federal capital gains tax savings</td>
<td>$0</td>
<td>+ $13,500</td>
</tr>
<tr>
<td>Total tax savings</td>
<td>$14,500</td>
<td>$41,500</td>
</tr>
<tr>
<td>Net cost of gift</td>
<td>$85,500</td>
<td>$58,500</td>
</tr>
</tbody>
</table>

In both scenarios, we receive $100,000 to support our work.

*$10,000 cost basis

Is a gift of stock better than a gift of cash?

Let Us Help
To learn more, feel free to give us a call, at no obligation. Together with your advisor, we can help you fulfill your charitable goals while avoiding worries over tax consequences or market conditions.
If you made a gift to Young Harris College this year, you can take advantage of a charitable deduction on your taxes, if you itemize. Following are helpful answers to a few of the questions you may have about getting the most from your charitable efforts.

What am I eligible to deduct if I choose to itemize my tax deductions?

If you itemize, you can deduct cash, property and stock donations made to charitable organizations. You cannot deduct the value of any time or services spent on charitable work, but you can deduct mileage and vehicle expenses if used for charitable purposes.

Are there any limitations when itemizing?

Yes. Your cash gifts are generally deductible up to 50 percent of your adjusted gross income (AGI), and noncash gifts, such as property or stock owned for more than one year, are generally deductible up to 30 percent of your AGI.

Where can I find more help?

Your professional tax advisor is the best person from which to seek advice on specific tax issues. Feel free to contact Jennifer McAfee, director of development and planned giving, at (706) 379-5318 or jmcafee@yhc.edu for answers to any questions you might have about contributing to YHC, with no obligation.

QUICK TAX TIP

When filing your taxes, be sure to claim your charitable deductions in the same year you made the gifts. Also, keep track of all your receipts, cancelled checks, appraisals and acknowledgment letters from the charitable organizations.