

## Current Giving: Practical, Easy Ways to Give

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A variety of gift options are available to those who wish to support Padua Franciscan High School and the young people we serve. Each is designed to offer a means by which both you and the school can benefit from an act of charitable giving.

We welcome and acknowledge current and long-term contributions, in any amount, from individuals, corporations, and foundations. Such gifts can be designated for a specific purpose – according to the wishes of the donor. Or, they can be given without restriction, thereby allowing Padua to fund any area of current need. Be sure to also see our special section on Planning Your Gift, which details methods of postponing your contribution through an estate gift, as well as providing for both the school and your retirement through a life income gift.

*Note that this summary is provided for informational purposes only. It is not legal or financial advice, and should not be relied upon as such. You should always consult with an attorney or financial advisor to discuss your particular circumstances.*

### CASH

The simplest way to make a gift to Padua is to write a check. Your income tax charitable deduction in the year of the gift is limited to 50% of your adjusted gross income that year. Any "excess" deduction over that limit may be carried forward for five years, permitting full use of the tax benefit. The chart below illustrates your possible tax savings through a cash gift:

<u>Gift</u>	<u>Tax Savings</u>	<u>Net Cost to You</u>
\$ 1,000	\$ 250	\$ 750
\$ 2,000	\$ 500	\$ 1,500
\$ 3,000	\$ 750	\$ 2,250
\$ 4,000	\$ 1,000	\$ 3,000
\$ 5,000	\$ 1,250	\$ 3,750

The figures above are based on a 25% marginal tax bracket. Costs and savings for taxpayers in other tax brackets will vary.

Aside from gifts of cash, there are many other ways to make a significant contribution to Padua Franciscan High School . . .

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### PERSONAL PROPERTY

In some cases, a gift of tangible personal property, such as paintings, antiques, books, artifacts, jewelry or stamps, will result in a charitable deduction. You may also avoid the potential capital gains tax on the property's appreciation. Consider that a gift of personal property:

- Can protect you and your heirs from unnecessary taxation.
- Is an easy way to help Padua Franciscan.
- Is often easier to manage as a donation instead of cash.
- May earn you a tax deduction equal to the present market value regardless of how little you originally paid for the item, if the item is consistent with Padua's overall educational purpose.
- May help you avoid capital gains tax on the appreciated value of the item.
- Enables you to avoid the expense and effort of selling the asset.

### SECURITIES

Gifts of stock, bonds or mutual funds that have appreciated in value can be an advantageous way of giving. You may receive an income tax deduction for the full fair market value of the stock (up to a maximum of 30% of your adjusted gross income) as a charitable contribution and avoid paying capital gains tax on the increased value of the stock, depending on the length of time the stock was held. Excess deductions can be carried forward as many as five additional years.

*Example:* If you purchased stock several years ago for \$2,000 and it is now worth \$20,000, an outright gift of that stock to us would result in a charitable deduction of \$20,000, assuming the stock was held "long-term". In addition, you permanently avoid paying capital gains tax on the \$18,000 of appreciation. Note: To obtain the largest tax savings, you should always use stock that you have owned "long term" (usually for more than one year).

What if my securities have decreased instead of increased? Believe it or not, you may still want to sell these securities and contribute the proceeds. In this case you may be entitled to take a capital loss on your tax return, as well as receive a charitable deduction for the gift of the proceeds.

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### REAL ESTATE

It is often wiser to give property, which rarely provides income, than to obtain cash to contribute by disposing of other financial holdings. A gift of a mortgage-free residence or vacation home can provide a charitable deduction equal to the full fair market value of the property. By using this type of gift, you can avoid capital gains tax as well as the expense and work of selling the property.

What if you wish to make this kind of a donation, but still need to live in the house or use vacation property? A retained life estate may be the answer. A retained life estate allows you to make a gift of your property, and at the same time continue to live in the house or use the property for life (and, if applicable, the lifetime of your surviving spouse). Through such an arrangement, you are still entitled to a current income tax deduction for a portion of the fair market value of the property.

It is also possible to sell real estate to Padua for a price that is below fair market value (called a “bargain sale”) and still receive a partial charitable deduction. Consult your legal or financial advisor to consider alternatives that will be advantageous to both you and Padua.

### INHERITED PROPERTY

People are often surprised when they are named in the will of a relative or friend. If you find you do not need the property, you may wish consider giving that property to a charitable institution like Padua.

### TRIBUTE AND MEMORIAL GIFTS

When you experience the loss of a family member, friend, or associate, or when there is a special individual or occasion you want to honor, your living gift through our Tribute and Memorial Gifts program is truly meaningful. It demonstrates your depth of concern and it benefits others by continuing the mission of our institution. When your tribute or memorial gift is received, a letter is sent to the person or family in whose honor the gift is made. The amount of your gift is kept confidential and you, as the benefactor, will receive a separate acknowledgment for your records.