



Tax Advantaged Options for Making Donations

Source of Donation	When Would You Like to Make the Gift?	Options to Consider	Potential Tax Benefit
Savings	Now	Outright gift	Cash donations to BFHS qualify as an itemized deduction ¹ on your current tax return
	Later	See Estate options below	Cash contributions from your estate qualify for a gift and estate tax deduction
Investments	Now	Outright gift of appreciated assets	When you donate an appreciated asset that you've owned for at least one year (stock, mutual fund, etc.) to BFHS, you can generally deduct the current market value of the asset as an itemized deduction ² without paying any tax on the appreciation
	Later	See Estate Options below	Contributions from your estate qualify for a gift and estate tax deduction
Retirement Plans	Now	If you're age 70½ or older, make a Qualified Charitable Distribution (QCD)	While a QCD from your IRA does not qualify as an itemized deduction, it does count as part of your annual Required Minimum Distribution and completely removes the charitable distribution from your taxable income ³
	Later	Designate BFHS as a beneficiary of your retirement account	Unlike taxable distributions made to you or your heirs, distributions to BFHS are exempt from both income and estate tax
Life Insurance	Now	Make BFHS the owner and beneficiary of your paid-up policy	You can generally claim a current itemized deduction for the lesser of the policy's fair market value or your "basis," which is the accumulated premiums you paid minus any dividends and withdrawals you received. If you continue to pay premiums, those amounts will also be treated as charitable contributions each year ¹
	Later	Remain the owner of your policy but make BFHS the beneficiary	The insurance proceeds will be removed from the value of your estate for tax purposes



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Irrevocable Trusts	Now	Create a Charitable Lead Trust (CLT) to benefit BFHS for a number of years before distributing the remainder to your heirs ⁵	You could receive a current tax deduction for the present value of the expected distributions to BFHS
	Later	Create a Charitable Remainder Trust (CRT) to pass the remainder value of trust assets to BFHS after benefitting you or others for a number of years ⁵	You could receive a current tax deduction for the value of the assets contributed to the trust less the present value of distributions while the trust is in existence
Estate	Now	See all current donation options noted above	Donations completed during your lifetime reduce the taxable value of your estate ⁴
	Later	Include a charitable bequest to BFHS in your Will or a Revocable Living Trust ³	Your estate will receive a charitable tax deduction

¹ Up to 50% of your current year Adjusted Gross Income (AGI), then excess can be carried over for up to five (5) years.

² Up to 30% of your current year Adjusted Gross Income (AGI), then excess can be carried over for up to five (5) years.

³ QCD is limited to \$100,000 per year and must be paid directly from your IRA custodian to BFHS.

⁴ Some donations made within a certain number of years prior to death may be added back to the value of the estate for tax purposes.

⁵ Consult with an estate planning attorney regarding establishing or updating Wills, Trusts, or other legal documents.