



Fort Foundation Focus

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www.fortfoundation.org

This will be a short column. It is just intended to provide you with some reminders about the Foundation at this wonderful annual time of year, tax planning time ... ahhhh ... I mean, the Holidays.

The column I wrote in late March (Daily Union, March 22, 2007), outlined a number of ways in which you can be a part of the throng of caring and supportive citizens that make Fort Atkinson one of the best cities in the world in which to live by contributing to the Foundation (almost 500 donors the last fiscal year). I just want to remind you that there are many ways you can contribute that earn you a tax deduction!

Obviously, a direct contribution is the simplest. Some people make a point of making an annual donation. I want to reaffirm to all of you that such contributions are not only greatly appreciated, they collectively provide a major boost to the various funds in the Foundation. For example, in the most recent fiscal year, there were a total of 307 contributions of \$250 or less, which, together, totaled \$22,926! The 177 contributions of \$50 or less came to a total of \$5,371! The power of numbers! All of us count!

But, there are some other, less obvious ways that you can plan on helping the community, and that can also be especially advantageous to you at tax time — in other words, you get more of a deduction than you might think. A gift of appreciated stock is a wise method that is attractive to some people. If you donate appreciated securities, you take as a tax deduction the full appreciated value, and do not pay income tax on that appreciation. Appreciated real estate can have the same kind of tax advantage.

The most esoteric of the tax related methods is the following: Just this year, and if you are 70½ or older, there is a significant tax advantage for a donation from an IRA. As you may know, if you are 70½ or older you must make a certain minimum withdrawal from your IRA, and you pay tax on the

amount withdrawn. However, if that withdrawal, or a portion thereof, is given directly to the Foundation, there is no tax on the portion donated.

A usually overlooked possibility is a *charitable remainder trust*. This method can provide you with a tax deduction now without your losing current or future income from the assets donated. Here is how it works. You make a donation of (appreciated) stock to a charitable remainder trust. Most bank trust departments will act as trustee. During your lifetime, you receive a specified percentage of the value of the trust each year. After your death, the remainder will be paid to the Foundation. The year in which you make the donation provides you with a tax deduction determined by IRS actuarial tables, and this can be a major portion of the amount donated.

I will close by mentioning the obvious estate related methods you might employ for giving. First, consider leaving a portion of your estate to the Foundation in your will or trust. In that vein, you might also consider making the Foundation the beneficiary of a life insurance policy. By the way, one of the best ways to save taxes is to make the Foundation a beneficiary of an IRA or other retirement account. Not all of these options may be ideal for you. Ask about them when you next meet with your attorney, financial planner, or tax advisor.

The Foundation's by-line is, *Where gifts today build better tomorrows* and your gifts certainly do that! Please consider making the Fort Atkinson community even stronger. All of these methods are mentioned in the Foundation's brochure, which you can easily obtain by requesting it or by stopping into the Foundation's office at the Chamber of Commerce building. If you need more information you can visit the Foundation's Web site at www.fortfoundation.org or contact Helen Rose, Program Administrator, at 920-563-3210 (office), 920-563-4926 (home).