

# Benefits of Giving

## Tax Benefits

Gifts made to the BACF are eligible for the Michigan Community Foundation Tax Credit, but only if that gift is donated to the BACF endowment fund at the Kalamazoo Community Foundation. To realize the full benefit from this option, checks should be made out to KCF/BACF. For additional information on how the Michigan Community Foundation Tax Credit impacts you, please consult with your tax advisor.

Single persons can be eligible for a \$200 credit.  
Married persons can be eligible for a \$400 credit.  
In the past, businesses have been eligible for up to a \$5000 credit.

The law permits taxpayers to reduce their Michigan Income Tax or Michigan Business Tax liability by a credit of 50 percent of the amount contributed to a community foundation endowment fund.

If you contribute \$200 or more, your tax credit will be \$100 (maximum credit) for an individual filing singly.

If you and your spouse contribute \$400 or more, your tax credit will be \$200 (maximum credit) for a married couple filing jointly.

If your business contributes \$10,000 or more, your tax credit will be \$5000 (maximum credit) or five percent of tax liability before claiming any credits, whichever is less, for taxpayers filing Michigan Business Tax returns.

The BACF is a 501(c)(3) non-profit organization and all donations are deductible on your income tax to the fullest extent of the law by the IRS and the State of Michigan.

## Ways to Give

**Cash Gift.** The simplest method of giving is to send a personal check made out to KCF/BACF.

**Appreciated Securities.** When you give long-term appreciated securities, not only do you receive an income tax deduction equal to the market value of the securities, but you also avoid capital gains taxes on the transfer.

**Real and Personal Property.** A residence or other real property may be given as an outright gift, or you may prefer to give your residence, farm, or vacation home and retain the right to occupy it for life. Personal properties such as paintings, library books, coin collections, or musical instruments are examples of assets you may wish to consider as possible gifts to charity.

**Life Insurance.** When you give a life insurance policy to charity, the tax deduction will be based on the policy's present value (total premiums paid) or its cash surrender value, whichever is less. Any premiums you continue to pay after your gift are also deductible.

**Charitable Beneficiary Designation.** Naming the Bangor Area Community Foundation as a beneficiary in your life insurance or retirement plan is easy to do, and the gift that results will benefit our community in a lasting way. Making the Foundation a beneficiary of your IRA or qualified retirement plan also avoids income tax when the distribution is received.

**Bequest by Will.** You can designate a gift or portion of your estate to the Bangor Area Community Foundation and, in some cases, receive a substantial reduction in federal gift and estate taxes.