



*There are a number of ways to support healthcare in eastern Montana by partnering with the Holy Rosary Healthcare Foundation. We work with many individuals, groups, businesses, and other foundations with a desire to enhance the long-term accessibility of quality healthcare services for people of our region. Each donor-investor tells us exactly how they would like their contribution used. That may be in support of a particular program at Holy Rosary or a community service project promoting healthful living. The information below is a resource to provide ideas on charitable options available to support this most worthy cause.*

### **Charitable Giving Highlights**

<b>Type of Gift</b>	<b>Example</b>	<b>Donor Benefits</b>	<b>Donor Profile</b>
Outright gift of cash	Donor writes \$100,000 check payable to charitable organization	<ul style="list-style-type: none"> <li>▪ Simplicity and easy of delivery</li> <li>▪ Income tax deduction for full amount of gift</li> </ul>	Wealthy person with spare funds who wants to support a worthy cause and make a difference for that organization
Outright gift of appreciated property	Donor transfers to charitable organization stock valued at \$100,000 that donor purchased for \$20,000	<ul style="list-style-type: none"> <li>▪ Income tax deduction for full value of stock</li> <li>▪ Avoidance of potential tax on capital gain of \$80,000</li> </ul>	Wealthy person with highly appreciated property who is concerned about capital gains tax exposure and who wants to support a worthy cause and make a difference for that organization
Bargain Sale	Donor sells to charitable organization for \$50,000 real estate valued at \$200,000 that donor purchased for \$50,000	<ul style="list-style-type: none"> <li>▪ Donor receives \$150,000 income tax deduction for contributed portion of property (\$150,000)</li> </ul>	Person holding property not perceived to be readily marketable who wants an immediate cash return and who wants to support a worthy cause and make a difference for that organization
Charitable remainder trust (during lifetime) (CRT)	Donor establishes trust and transfers stock worth \$100,000 to trust, retaining 5 percent per year income stream for life of donor (and/or other beneficiary); upon death of donor (and/or other beneficiary), trust assets pass to charitable organization	<ul style="list-style-type: none"> <li>▪ Donor (and/or another beneficiary) receives income stream; if transferred stock was low yielding, income stream may exceed the amount of dividend income that donor had been receiving (either immediately or after retirement)</li> <li>▪ Avoidance of potential capital gains tax</li> <li>▪ Donor could retain control over trust investments as trustee or, if donor would prefer, someone else could be the trustee and relieve the donor of investment responsibilities</li> <li>▪ Income tax deduction calculated on actuarial basis</li> <li>▪ With certain kinds of trusts (unitrusts), donor can make</li> </ul>	Person holding low-yielding and/or highly appreciated property who wants income for life or supplemental retirement income and who wants to support a worthy cause and make a difference for that organization

		additional contribution to the trust	
Charitable remainder trust (by will) (TCRT)	Donor includes trust provision in will directing that \$100,000 be placed in trust for benefit of spouse during spouse's lifetime; upon spouse's death trust assets pass to charitable organization	<ul style="list-style-type: none"> <li>▪ Estate tax marital deduction for spouse's income interest and estate tax charitable deduction for value of remainder interest</li> <li>▪ Provides income stream for spouse for life</li> <li>▪ Donor can select experienced trustee to manage investments for benefit of spouse</li> </ul>	Person who is reluctant to part with assets prior to death and who wants to provide income for surviving spouse or child prior to donating gift to charitable organization and who wants to support a worthy cause and make a difference for that organization
Gift annuity (immediate) (CGA)	Donor transfers appreciated stock to charitable organization in exchange for organization's agreement to pay a specified annuity to the donor (and/or another beneficiary)	<ul style="list-style-type: none"> <li>▪ Donor (and/or another beneficiary) receives income stream</li> <li>▪ A portion of each annuity payment will be free from income tax</li> <li>▪ Capital gains tax reduced and spread out</li> <li>▪ Income tax deduction calculated on an actuarial basis</li> </ul>	Person holding low-yielding and/or highly appreciated property who wants income for life and who wants to support a worthy cause and make a difference for that organization
Gift annuity (deferred) (DCGA)	Donor transfers appreciated stock to charitable organization in exchange for organization's agreement to pay a specified annuity to the donor (and/or another beneficiary) in the future (e.g. after retirement)	All of the same benefits as with an immediate annuity, with the added benefit of providing supplemental retirement income on a tax-favored basis	Person with high earnings who wants supplemental retirement income and who wants to support a worthy cause and make a difference for that organization
Remainder interest in residence or farm (RLE)	Donor transfers residence in charitable organization but retains the right to live in home for life	<ul style="list-style-type: none"> <li>▪ Income tax deduction equal to the value of charitable organization's remainder interest calculated on an actuarial basis</li> <li>▪ Right to live in home for life</li> </ul>	Person whose house is main asset and who wants to continue to live in house for life but is not concerned about preserving house for family after death and who wants to support a worthy cause and make a difference for that organization
Life insurance (charitable organization as beneficiary)	Donor names charitable organization as beneficiary of life insurance policy	<ul style="list-style-type: none"> <li>▪ Donor retains ownership of policy and has access to its cash value</li> <li>▪ No federal estate tax on life insurance proceeds will be due upon donor's death because of charitable deduction</li> </ul>	Person who wants to retain control, who wants to make contributions in manageable amounts over time, and for whom income tax deductions is not critical and who wants to support a worthy cause and make a difference for that organization
Life insurance (charitable organization as owner)	Donor irrevocably assigns life insurance policy to charitable organization; each year donor contributes annual premium amount to organization to allow it to pay subsequent premiums	<ul style="list-style-type: none"> <li>▪ Income tax deduction for lesser of policy's value or net premium paid</li> <li>▪ Income tax deduction for subsequent contributions</li> </ul>	Person who wants to make contributions in manageable amounts over time and who wants income tax deductions and who wants to support a worthy cause and make a difference for that organization
Life insurance (wealth)	Donor has transferred property to charitable	Provides funds to family beneficiaries in compensation for	Person is making a planned gift (e.g. charitable remainder trust) and at the

replacement)	organization and uses tax savings produced by the income tax deduction to pay premiums on life insurance policy, the proceeds of which will be roughly equivalent to the value of the gifted property	the property contributed to charitable organizations	same time wants to preserve estate for family and who wants to support a worthy cause and make a difference for that organization
Outright bequest (by will)	Donor includes outright bequest of \$100,000 to charitable organization in will or a bequest of a percentage of the estate	Estate tax deduction for full amount of bequest	Person who is reluctant to part with assets prior to death and who has plenty of assets for family or does not have close family and who wants to support a worthy cause and make a difference for that organization
Pooled income fund (PIF)	Donor makes contribution of \$5,000 to charitable organization's established pooled income fund and makes additional contributions each year	<ul style="list-style-type: none"> <li>▪ Simplicity and ease</li> <li>▪ Income tax deduction each year calculated on an actuarial basis</li> <li>▪ Provides income stream for life of donor and/or another beneficiary</li> </ul>	Person of any age and any level of wealth who wants to make contributions in manageable amounts over time and who wants to support a worthy cause and make a difference for that organization
Charitable lead trust (during lifetime) (CLT)	Donor establishes trust, transfers stock worth \$100,000 to trust and directs that trust is to pay charitable organization \$8,000 annually for 15 years; at termination of trust, assets to be distributed to donor's children	Allows property to be transferred eventually to family beneficiaries at a low transfer tax cost	Person who has assets with high appreciation potential and whose family can forgo income from the assets for a period of time and who wants to support a worthy cause and make a difference for that organization
Charitable lead trust (by will) (TCLT)	Donor includes trust provision in will directing the transfer of \$100,000 to trust and annual payment of \$8,000 to charitable organization for 15 years; at termination of trust, assets to be distributed to donor's children	Allows property to be transferred eventually to family beneficiaries at lower transfer tax cost	Person who has assets with high appreciation potential and whose family can forgo income from the assets for a period of time and who wants to support a worthy cause and make a difference for that organization



**2600 Wilson Street | Miles City, MT 59301**  
**(406) 233-4043 | 1-800-843-3820 | [foundation@hrh-mt.org](mailto:foundation@hrh-mt.org)**