

LIVING LEGACY



MORRIS HOSPITAL
FOUNDATION

FOR FRIENDS OF MORRIS HOSPITAL



Courtesy of www.grundyco.org

Creating a Unique Legacy for Our Community

For many charitable minded people, giving to local organizations is especially important. We constantly hear,

“I want my gifts to stay close to home.”

We also know that the way people finance these projects comes in many forms. Traditionally, people have given directly to specific charities or have set up charitable trusts or name gifts in their will; all of which are excellent ways to give. These days, another giving technique is booming: Donor-advised fund (DAF), a type of account held by a sponsoring non-profit entity, like the Community Foundation of Grundy County. See donor-advised fund article on page 3 for more information.

Hannah Wehrle, Auxiliary & Foundation Officer at Morris Hospital & Healthcare Centers, spoke with Julie Buck, Executive

Director of the Community Foundation of Grundy County, to learn more.

Hannah: Why do you think people like DAFs?

Julie: DAFs are simple and flexible. We handle all recordkeeping, disbursements, and tax receipts while the donor advises us on how to designate annual or quarterly gifts in support of charities like Morris Hospital Foundation.

Hannah: I've found that while planning for the future, family always comes first. Why do you feel a DAF is something a family should consider?

Julie: It is a powerful way to continue a tradition of family philanthropy. Cultivating a passion for giving back to our community can bring families closer and lay the groundwork for an incredible legacy.

Hannah: If someone already has a DAF with the Community Foundation, can they make gifts to our Foundation, even if they haven't done so in the past?

Julie: Yes, absolutely. If there is a cause at the Hospital that someone feels is important, we can designate a gift from their fund to support that program, service, or project. It gives the donor the flexibility to recommend how much and how often money is granted to your Foundation or other charities in the community.

CONSIDER THIS

If you could leave a gift that would make a lasting difference for decades, would you? Whether you name the Hospital as a beneficiary of a DAF through the Community Foundation or use a different gift arrangement, it's easier than you think and more significant than you might imagine. It's all possible through the Morris Hospital Foundation.

Find out how you can benefit your family and allow Morris Hospital to continue our 112 year tradition of compassionate and personalized approach to healthcare for our community.

How will the change in the tax law affect you and your charitable giving this year?



The new tax law became effective on January 1, 2018. While no one can accurately predict the consequences it will have on philanthropy, there are two major changes that most directly affect the tax benefits of charitable gifts:

- 1** the increase in the standard deduction (\$12,000 for singles, \$24,000 for married couples filing jointly); and
- 2** elimination or restriction of numerous itemized deductions (though the charitable deduction remains intact).

Both of the above will increase the number of individuals claiming the standard deduction, and thus reduce the number of itemizers who can take an income tax charitable deduction. Even if you won't itemize, here are some strategies to make lifetime gifts to charity and still receive tax benefits:

- Make gifts of appreciated property such as publicly-traded securities to charity. Even if you don't itemize, you will still be able to avoid capital gain tax by making a gift of appreciated assets owned by you for at least one year.
- Make gifts to charity using the charitable IRA rollover. If you are over 70½ you can make a direct transfer from your traditional IRA or Roth IRA to charity of up to \$100,000.
- Make larger gifts to charity. A larger charitable gift may increase your total deductions enough that it makes sense for you to itemize; the additional tax savings that itemizing offers may reduce the effective cost of your gift.
- Make a gift to charity from all or a portion of what's left in your retirement plan. This is an extremely tax efficient way for you to make gifts to charity that costs your heirs less than giving other kinds of assets.

See our website for more details:

legacygifts.morrishospital.org/tax-reform

Gift Planning Services

We are delighted to offer the expertise of nationally recognized experts in gift planning available at no charge to our donors and their advisors. This prominent firm can provide assistance with:

- Clarifying financial and family goals
- Assessing giving options
- Arranging specific gifts

Contact:

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Simplifying Your Giving

If you are seeking simplicity for your charitable giving along with immediate tax benefits, the donor-advised fund may be right for you. New donor-advised fund accounts are being established by the thousands. It is estimated there were more than 238,000 donor-advised fund accounts in 2014, an increase of 8.8% from 2013.

There are many reasons why you might want to establish a donor-advised fund. If you have experienced a financial event resulting in a tax liability, establishing a donor-advised fund may save you substantial taxes and provide a source for your charitable giving that can be stretched over many years. Examples of such events are a conversion to a Roth IRA, receipt of a large bonus, the exercise of an incentive stock option, or the sale of a highly appreciated asset.

A donor-advised fund must be established at a public charity, sometimes known as a sponsoring charity. Some larger investment firms have established their own public charities to sponsor donor-advised funds. Depending on the policies of the sponsoring charity, you can often establish a donor-advised fund for between \$5,000 and \$25,000.

To establish a donor-advised fund, you make a gift to your fund at the sponsoring charity for which you receive an immediate income tax charitable deduction. The most common assets used for gifts are cash and appreciated securities qualifying for long-term capital gain tax treatment. By contributing appreciated assets qualifying for long-term capital gain tax treatment, the tax on capital gains is avoided while you receive an income tax charitable deduction for the fair market value of the contributed property. Many sponsoring charities will allow you to name your fund should you wish to establish a family legacy. Once established, you are always welcome to add to your fund.



After your account is funded, you contact the sponsoring charity to suggest grants over time from your fund to public charities. Donor-advised funds are often used to make modest annual gifts to charities, but can also be used for more significant gifts to campaigns and for capital projects.

You have great flexibility in suggesting grants from your fund, in that if you choose not to make grants in a year you are not legally obligated to do so. Some sponsoring charities such as universities and colleges require that a percentage of the fund be given to the sponsoring charity. You may be permitted to name heirs to suggest grants from your fund should there be remaining assets when you are no longer here. It is also possible to make the hospital a recipient if there are any remaining funds in the donor-advised fund when it terminates.

For the philanthropically minded, the donor-advised fund offers a unique opportunity to save taxes and to have a source of funds to support your favorite charities for years into the future. Morris Hospital Foundation works collaboratively with the Community Foundation of Grundy County and we'd be happy to talk to you.





MORRIS HOSPITAL
FOUNDATION

150 West High Street
Morris, IL 60450

Today's Promise for Tomorrow's Future.

LIVING LEGACY

SPRING 2018



FOR FRIENDS OF MORRIS HOSPITAL

Did you know that one of the most rewarding gifts you can give to your community and Morris Hospital, allows you to maintain control of your assets? Call us and we'll show you how.

Contact us to get started:

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