



## **Planned Giving**

A planned gift to Counseling In Schools helps to ensure the longevity of the vital services we provide. There are several ways to make a planned gift.

### **BEQUESTS**

CIS is grateful for bequests that may be used immediately upon receipt and where most needed. The donor/estate receives an estate tax deduction for the full amount of the bequest. To make a bequest to CIS, the following language will be helpful to your lawyer:

I give and bequeath to Counseling In Schools, a New York not-for-profit corporation whose address is 505 Eighth Avenue, Suite 12A-06, New York, NY 10018, the sum of \_\_\_\_\_ (*or otherwise describe the gift or specify a percentage of the estate*) for its general operating fund.

There are three ways to make a bequest:

- **Contingent bequest:** Designate that CIS receives all or a portion of the estate only under certain circumstances. For example, you can name CIS as a beneficiary of your estate only if there are no surviving close family members. Among other things, a donor may bequeath cash, securities, real estate, or life insurance.
- **Residual bequest:** After paying all debts, taxes, expenses, and specific bequests, transfer the remainder of your estate to CIS.
- **Specific bequest:** Designate a specific dollar amount, specific percentage of the total estate, or specific property to CIS.

### **LIFE INCOME GIFTS**

A life income gift is a gift that pays the donor an income for life in exchange for assets. The following are examples of life income gifts:

- **Charitable Gift Annuity:** In exchange for an irrevocable contribution of cash or securities, the donor and/or a second annuitant receives a generous, fixed rate of lifetime income, part of which is tax-free. The donor is also entitled to an income tax charitable deduction for part of the amount of the gift (usually about half). Capital gains on any appreciation of the gift asset are treated very favorably for tax purposes.
- **Charitable Remainder Trusts:** The charitable remainder trust pays the donor a lifetime income or income annually for a set number of years. Payments are determined at the time the trust is established, depending on the donor's needs and financial objectives. Upon termination of the trust, the principal is distributed to Counseling In Schools. The donor can claim a charitable deduction the year that s/he creates the trust. Annual payments are taxed as ordinary income, and in some cases as capital gain or tax-free return of principal.

### **LIFE INSURANCE**

Life insurance is a valuable and often overlooked asset that can be donated in a philanthropic estate plan. There are two ways to donate life insurance:

- Make Counseling In Schools the owner and beneficiary of a new or existing policy. The donor receives an immediate tax benefit if the policy is paid-up. If the policy is not fully paid-up, your



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annual gifts to CIS to cover premium payments are tax-deductible. The value of the policy is determined by IRS rules.

- Make Counseling In Schools the beneficiary of a new or existing policy, but not the owner. This enables the donor to make a large future gift at small present costs. By retaining ownership, the donor controls the asset, and has the ability to invade the policy value in an emergency and change the beneficiaries. No immediate tax benefit is realized. In time, the value of the policy is added to the gross value of the estate and an estate tax charitable deduction would be levied for the proceeds paid to CIS.