



**YMCA OF SNOHOMISH COUNTY
EVERETT FAMILY YMCA**
Supporter's Personal Decision Book



THE ART OF GIVING: HOW CAN I MAXIMIZE MY SUPPORT?

"It is one of the most beautiful compensations of life that no man can sincerely try to help another without helping himself."

- Ralph Waldo Emerson

Your commitment to and leadership in support of the YMCA of Snohomish County through the Everett Family YMCA is invaluable. You have an unprecedented opportunity to help lead our Y to the next level. By participating in this comprehensive campaign, you will help to strengthen the Y's mission and ensure our unique ability to nurture the potential of youth, promote healthy living and foster a sense of social responsibility in our community.

In thinking about your gift, it may be helpful to keep in mind that you can make it in several ways. By pledging over a period of up to three to five years, you can budget for a more substantial gift than may be possible with a one-time capital contribution. Payments may be made annually, semi-annually, quarterly, or on a personalized payment schedule.

Making charitable contributions is a creative process that can adapt to the changing needs of the donor. An initial gift of cash may be increased, not only through multi-year pledges, but also through:

- Corporate matching gift programs
- Donation of appreciated securities and property (to avoid capital gains)
- Establishing a charitable trust
- Including the Y in your estate plans

While tax considerations are generally not the primary motivation for charitable giving, it is important to know that the Y is a not-for-profit organization. Accordingly, all gifts are tax-deductible to the extent allowed by law.

THERE ARE MANY WAYS TO MAKE A PERSONAL GIFT

MULTI-YEAR PLEDGES

To increase your contribution to the Everett Family YMCA, you may make a pledge now and spread payment of your gift – and tax deductions – over as much as five years. (For quarterly or annual payment schedules, please see page 4)

ADDITIONAL GIVING THROUGH CORPORATE, FOUNDATION, AND FAMILY MATCHES

Many corporations and foundations offer matching programs. Such programs may allow donors to double or triple the amount of their contribution, especially if the match is obtained each year of the pledge period. Please consult your benefits coordinator or human resources manager. If no formal matching program is established, ask your employer – your gift may be matched anyway. Individual families may also structure innovative “family” matches to involve everyone in creating a significant contribution.

APPRECIATED STOCKS, BONDS, AND MUTUAL FUNDS

An alternative to cash are gifts of appreciated investment securities. In many (if not most) situations, the full, fair market value of gifts of appreciated property is deductible. Additionally, taxes on capital gains are generally avoided.

EXAMPLE: A donor owns a stock which was purchased more than one year ago for \$20,000 and is currently valued at \$50,000. When the stock is donated to the Everett Family YMCA, the Y will sell the stock and receive cash proceeds of \$50,000. The donor receives a charitable deduction of \$50,000. Assuming a capital gains rate of 15 percent, the donor avoids \$4,500 capital gains tax on the appreciation in value (\$30,000 appreciation x 15% capital gains tax).

If the donor sells the same stock and then makes the donation, the situation would be much different. First, the donor would incur a 15 percent tax on \$30,000 of capital gains totaling \$4,500. With the remaining \$45,500, the size of the donation would be less. Assuming a 25 percent personal income tax, donating the \$50,000 in qualified appreciated stock (held one year or more) saves the donor \$12,500 in income taxes and the Y realizes a full \$50,000 contribution. If the donor sells first, they incur \$4,500 of capital gains taxes, the nonprofit gets less and the income tax deduction would drop to \$11,375. Clearly, there are benefits to donating appreciated stock for both the donor and for the Y.

CONSIDERATIONS

Appreciated securities may be the best asset for you to give to the Y, but there are special rules that need to be followed. Here are a few general guidelines (under tax laws in effect as of January 2017); as always please consult your tax advisor.

- In order to deduct the full fair market value (the amount you paid for the security and the gain), you need to have held the security for at least 12 months.
- Gifts of marketable securities are deductible up to 30 percent of your adjusted gross income in the year of the gift. This is less than gifts of cash, which are deductible up to 50 percent of your adjusted gross income. In either case, any excess may be deducted over the following five year period, according to the same limitations
- Transfers can be completed if you hold the security in certificate form, or electronically through a custodian or transfer agent. The Y can provide instructions to accomplish the transfer.
- The Y is able to accept gifts of mutual funds, although there may be some limitations on unusual funds. Please confirm with the Y to ensure they can accept the fund you would like to give.

I'D LIKE TO FURTHER EXPLORE THE OPTIONS THAT ARE BEST FOR ME

The Y's Chief Development Officer, Jennifer Willows, would be happy to provide further confidential information as you formulate your pledge to the capital campaign. We also recommend that you consult with your own financial and tax advisors as part of maximizing and finalizing your campaign gift plans.

PLANNED GIFTS

Donors who would like to make a significant contribution to the Y, but do not have resources to make an immediate gift, may find a solution through a variety of planned gifts. The commitment to give is made now, but the gift does not effectively come into the possession of the Y until a future date. Advantages to donors of such gifts can include reduction in estate, capital gains, gift, and/or income taxes. Some planned gifts such as charitable annuities may provide donors or designees with a lifetime of income.

Gifts of this nature are gladly accepted and will be credited towards construction of the Everett Family YMCA (or the endowment fund, program, or project of your choosing).

Please contact Jennifer Willows, the YMCA's Chief Development Officer at 425 374 5745 or jwillows@ymca-snoco.org for further information.

POSSIBLE SCHEDULE FOR FIVE-YEAR PLEDGES

GIFT LEVEL	YEARLY PAYMENTS/ FIVE YEARS	20 QUARTERLY PAYMENTS	60 MONTHLY PAYMENTS
\$3,000,000	\$600,000	\$150,000	\$50,000
\$1,000,000	\$200,000	\$50,000	\$16,666
\$500,000	\$100,000	\$25,000	\$8,333
\$250,000	\$50,000	\$12,500	\$4,166
\$100,000	\$20,000	\$5,000	\$1,666
\$50,000	\$10,000	\$2,500	\$833
\$25,000	\$5,000	\$1,250	\$416
\$10,000	\$2,000	\$500	\$166
\$5,000	\$1,000	\$250	\$83
\$1,000	\$200	\$50	\$17

TRUE STORIES FROM RECENT CAMPAIGNS

Few people have the total amount they end up giving readily available. Following are a few giving stories from recent capital campaigns.

FAMILY GIVING THAT MAY SURPRISE YOU

One couple in a recent campaign decided that this campaign would be the one to which they would make a serious commitment. After all, it was for their alma mater, many of their fellow alumni were giving, and they hoped their grandchildren would attend the school someday.

After deciding what they could pledge over five years, they decided to tell their adult children what they were doing, hoping to educate them on philanthropic giving at the same time. To their surprise, their kids were so touched by their commitment and excitement about the campaign they also made five year pledges. The combined family gift added up to over \$75,000 and established a family tradition of philanthropy that they are all proud of and hope to continue into the next generation.

COMBINING CORPORATE MATCHING AND APPRECIATED ASSETS

An executive at a local public corporation thought she could make a \$10,000 capital campaign gift over three years. Upon discussion with her corporation, she discovered that the company would match a multi-year pledge at a maximum of \$5,000 per year. She then decided to make a \$25,000 gift over five years, which when partnered with the matching dollars represents a \$50,000 gift over 5 years. She designated the first \$25,000 towards the capital project and the second \$25,000 toward the organization's endowment fund.

LOOKING BEYOND TRADITIONAL BUSINESS GIVING

While personally analyzing ways to build a creative family gift, one recent campaign volunteer looked to his family's business – a company known for giving back to its community and for its involvement in enhancing the area's quality of life. Armed with a specific naming opportunity that directly matched the company's values, he first asked his parents to join him in making a personal gift and then asked the company to make its own corporate commitment. But the company's involvement didn't stop there. The project was presented to every member of the board and to other key employees. As a result, the company's family raised more than \$250,000 to name a key community activities area within the new facility.

MAKING IT ALL ADD UP

A board member with several children in school was concerned that she could not make a significant gift to a campaign about which she cared passionately. She met with her husband to discuss the gift and was delighted when he stated how strongly he shared her desire to support the campaign. They decided that they could create a family gift in a unique fashion.

They were paying several hundred dollars a month for yard service. By having their children agree to mow the lawn and perform other chores, they were able to contribute the money saved to the campaign. With a match from the husband's firm, this became a \$15,000 gift over a three-year period. They and their children made a significant commitment to an important organization. The children will grow up with a family tradition of charitable giving.

GETTING BEYOND THE BILLS AT THE END OF THE MONTH

A quiet board member for a recent campaign had sat back while the lead board gifts were announced. Feeling more and more like she could not even begin to contribute anything of significance she began to get nervous about her participation. When a fellow board member sat down with her to ask for her gift, she confided that she didn't know if she could really help.

Her board peer listened and then explained how two other board members made had come up with their gift. Starting with what they felt they could contribute monthly, the board members first added up what that would equal over three years. They then took a look at other gifts they were making. Deciding that this campaign was their main giving priority, they increased the total.

Next they went to their employers, and one of them agreed to match \$1,000 of the gift. The end result stunned them both when they realized they could give \$6,500 to the campaign, a gift which made both of them proud of their commitment to the community. When this board member went through the same exercise, her previous assessment of a \$1,000 gift increased to \$5,000 and she became one of the top solicitors in the campaign by helping other donors through the same thought process.

TEACHING YOUR CHILDREN PHILANTHROPY

An employee of a children's shelter who was a widow made a generous gift to the shelter's capital campaign, but reflected that she had not asked her children to join her in giving. When she met with them and they discovered that they could pool their contributions to name a portion of the new shelter in their father's name, they each matched their mother's gift. They felt that there was no more fitting memorial to their father than their gifts and they took enormous satisfaction in taking the opportunity to act as a family.

STOCK TRANSFERS

Securities may be the best asset for you to give to the YMCA of Snohomish County Everett Family YMCA. Here are a few general guidelines:

1. If you give appreciated securities that you have held for **at least one year** you can deduct the full fair market value (both the amount you paid for it and your gain). This is deductible up to 30% of your adjusted gross income in the year of the gift. Any excess may be deducted over the next five tax years.
2. If the **fair market value at the time of the gift** is more than \$500, you will need to fill out Internal Revenue Service Form 8283--Noncash Charitable Contributions form and submit it to the Y. We will acknowledge receipt of the gift on this form and return it to you so that you may comply with all IRS regulations.
3. If you have the stock certificates in your possession, send the unendorsed stock certificates and a signed stock power (available from your broker) **in separate envelopes** to the Y. The gift is complete as of the postmark date of the later envelope.
4. If your broker holds the security for your account, instruct to electronically transfer--known as "DTC"--the securities to the Y's account, using this information:
 - a. Make stock payable to: YMCA of Snohomish County
 - b. Tax ID#: 91-0565561
5. Contact Jennifer Willows at 425 374 5745 or jwillows@ymca-snoco.org if you have any questions.

* Information is current as of 1/2017.

10 WAYS YOU CAN HELP THE YMCA OF SNOHOMISH COUNTY EVERETT FAMILY YMCA CAPITAL EFFORT

Circle 2-3 that might work for you.

1. Make your own gift first: it is a lot easier to engage others when you have already given.
2. Let the Y staff know about any potential donors who can give a gift of any dollar amount. They will help you decide how, when, and how much to ask.
3. Ask the Y staff to help you get trained on how to engage with others regarding the project and asking for a gift of support. Training is very valuable in teaching you how to talk about the project even when you aren't asking for a gift, and will give you confidence to ask for money in many other areas besides the capital campaign.
4. Ask your employer or company to match or add to your gift. Even if they don't have policies, tell them about your support of the Y and ask them to consider matching it or adding a special gift to your gift.
5. Join with other family members to expand your gift; take on a "naming" gift to name a room or space.
6. Host a reception or event for other friends of the Y to tell them about the campaign and show the materials.
7. Solicit in-kind donations for the Y: printing, travel, dinners, building materials, equipment, etc.
8. Continually review your portfolio and consider gifts of appreciated assets. Gifts of stock will save you capital gains taxes while making a generous gift to the Y.
9. Support your fellow Y volunteers with their assignments. Two are better than one in making the ask. Don't be afraid to ask for help from your Y volunteer colleagues and professional staff.
10. Be an advocate for this project to everyone you meet. Keep Y promotional materials in a prominent place in your office and/or home.