

# YOU KNOW THE “Y” HERE ARE SOME IDEAS ON “THE HOW”

## IRA QUALIFIED CHARITABLE DISTRIBUTION

If you are over 70 ½ years old, you could consider gifting some of your IRA or your annually-required IRA distribution. Transfers are tax-free and the income will not factor into your income tax bracket (meaning no changes to Social Security taxes or Medicare premiums). Even if you itemize on your annual tax filings, you can take advantage of this strategy. This tax-free Qualified Charitable Distribution is now a permanent feature of the tax code.

## LIVING CHARITABLE LEAD TRUST

If you give an asset to a Charitable Lead Trust (CLT), you receive an initial income tax deduction based on the value of the donated asset and the length of the trust income donation. The income of the asset placed in the trust is donated to the charity for a determined period of years. After that period the donor or their heirs receive their original asset back.

## CHARITABLE REMAINDER TRUST

If you give an asset to a Charitable Remainder Trust (CRT, CRUT), you receive an initial income tax deduction based on the value of the donated asset and the projected income of the trust. The income of the asset placed in the trust is given to the donor or donor’s heirs during their lifetimes. After that period of time, the remaining principal of the trust is donated to a charity. Naming a CRT as beneficiary of an IRA is also an option to extend income from an IRA to beneficiaries while leaving the principal to charity.

## GIFT OF GRAIN

If an agricultural producer chooses to give the sale value of their grain to charity, they would not be charged income tax on that sale nor self-employment tax. As long as grain was raised in the prior year, no expense adjustments need to be made. The producer must gift the grain to charity before selling it for these to apply.

## GIFT OF LIVESTOCK

If a livestock producer chooses to donate cattle or other livestock, they would not be charged income tax on that sale nor self-employment tax. The producer must gift the livestock to charity before selling it for these to apply.

## GIFT OF REAL ESTATE

If you have property that you and your family do not use or need, you can gift that property to charity. The transfer is capital gains tax free and you receive a deduction for fair market value. The charity is then able to use or sell the land to benefit their cause. There could also be a reduction in the value of your taxable estate. You could also gift a portion of the property before a sale. It doesn’t have to be all or nothing.

## RETAINED LIFE ESTATE

If you have property that you want to continue to use during your lifetime, you can consider a retained life estate. Under this arrangement, the donor makes a gift of a residence, farm or other property to a charitable organization and retains the right to occupy the property for a designated term or life, with the property passing to the charity at the end of the term, or at the death of the last person who retained an interest in the property.

## CD INTO A GUARANTEED LIFETIME INCOME ANNUITY

If you currently have money in a low-yielding CD and you use the interest as retirement income, you may be able to donate some of your principal to charity and use the rest to purchase a Guaranteed Lifetime Income Annuity to replace that same level of income. You could reduce your taxes and see no reduction in income.

**\*Please see your professional advisor to discuss your options and how these ideas may work for you and your financial situation.**

## YOUTH DEVELOPMENT EXPANSION CAMPAIGN

Dr. Marshall and Kimberly Dorsett – Campaign Chairs  
Robert and Erin Fouberg – Honorary Co-Chairs  
Dick Kornder – Campaign Counsel  
Mike Quast – YMCA Chief Executive Officer

## GIVING LEVELS

Every important endeavor takes the leadership of visionary contributors to the Youth Development Center Expansion Campaign, which will help today's youth, and those of future generations, to grow into citizens who will contribute to the future vibrancy of our community. To succeed, thoughtful generosity will be required.

| Giving Level | 5-Year Pledge | Annual Option | Monthly Option |
|--------------|---------------|---------------|----------------|
| Benefactor   | \$200,000     | \$40,000      | \$3,333.33     |
| Visionary    | \$100,000     | \$20,000      | \$1,666.67     |
| Partner      | \$50,000      | \$10,000      | \$833.33       |
| Patron       | \$25,000      | \$5,000       | \$416.67       |
| Leader       | \$10,000      | \$2,000       | \$166.67       |
| Supporter    | \$5,000       | \$1,000       | \$83.33        |
| Contributor  | \$1,000       | \$200         | \$16.67        |

## NAMING OPPORTUNITIES

Opportunities are available to name the following areas of the proposed Youth Development Center Expansion.

|                |           |
|----------------|-----------|
| Building Annex | \$500,000 |
| Classrooms (8) | \$50,000  |

If more than one sponsor requests to name a particular area, the area may be named in honor of more than one donor.

## BUDGET

|                                  |             |
|----------------------------------|-------------|
| Building Costs                   | \$2,145,000 |
| Land Costs                       | \$300,000   |
| Site Work                        | \$255,000   |
| Parking, Curb & Gutter           | \$100,000   |
| Architecture/Engineering         | \$178,000   |
| Furniture, Equipment, Playground | \$168,000   |
| Contingency                      | \$50,000    |
| Campaign Expense                 | \$61,000    |
| Construction Interest            | \$200,000   |
| Total                            | \$3,457,000 |



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