



Sitike Counseling Center Planned Giving

Whatever your goals may be, there are several gifting options that may offer you significant tax advantages as well as the knowledge that you are acting to better the life of those individuals who are battling substance abuse. Some gifting options provide immediate monetary benefits to Sitike Counseling Center, while others will offer monetary rewards in the future. The Gifting options outlined below are accepted methods of making charitable contributions. In reviewing some of the techniques presented, you may discover ways to satisfy your philanthropic desires while also providing long-term security for you and your loved ones.

A Gift for Today...

A gift today of a fixed-dollar amount or appreciated securities, such as stocks or bonds, may allow you to take a current charitable income tax deduction for the full market value of assets contributed. Such a gift would allow Sitike Counseling Center to put your dollars to work immediately.

A GIFT OF STOCK

A contribution of appreciated stock that has been held for longer than one year, usually generates an income tax deduction equal to the fair market value of the stock on the date of contribution. In addition, the contribution avoids the recognition of any capital gain.

As an example:

- . A gift of stock to Sitike Counseling Center with a current value of \$25,000, which originally cost you \$10,000 may result in a full \$25,000 deduction on your tax return.
- . In addition to being able to provide the Center with a \$25,000 gift, you would not be subject to capital gains taxes related to this stock.

CHARITABLE LEAD TRUST

Another tax favorable means of providing for Sitike Counseling Center, while protecting the security of your chosen heirs, involves the implementation of a charitable lead trust. This type of trust makes annual, or perhaps, more frequent payments, to Sitike Counseling Center for the life of the trust. At the end of the trust term, the remaining trust assets pass to your designated beneficiaries.

Some benefits:

- . Charitable income tax deduction may be available at the inception of the trust.
- . Potential estate planning benefits may be gained by passing appreciating assets to your chosen heirs at a reduced gift tax cost.

A gift for Tomorrow...

CHARITABLE BEQUESTS

Certain gifting options act to provide you with significant tax advantages, while guaranteeing Sitike Counseling Center your support in the future. There are other mechanisms you can use during your lifetime to make a significant gift, demonstrating your commitment to Sitike Counseling Center. Depending on how these donations are structured, it is possible to; reduce your income taxes; reduce or eliminate taxes on appreciated properties, or restructure your estate and estate taxes. You can also use an asset to provide for both a loved one and the Sitike Counseling Center.

YOUR WILL

The vast majority of Americans die without a will, leaving their estates to be distributed according to a legislative formula determined by the state government. In the process, opportunities are lost to minimize taxes for heirs; to provide an income for a child, spouse, or parent; to name heirs outside of your immediate family; to allow for varying needs of your beneficiaries; or to support the charitable causes, which you consider important.

You may have already consulted with your attorney and/or financial advisor about designing a will, which distributes your estate according to your priorities. The advisors will also be able to help you maximize the value of the estate for your heirs. Charitable bequests are one mechanism for doing this.

Charitable donations are deducted from the value of the total estate for purposes of determining estate taxes. Therefore, while providing support for an organization that is of personal interest to you, you may also be able to reduce the rate at which your heirs are taxed and preserve the value of the estate they will inherit. The Sitike Counseling Center would be honored to be included in your will.

GIFT OF RETIREMENT PLAN BALANCE

Donating the balance of a retirement plan such as an IRA or 401(k) may result in significant tax advantages. Naming Sitike Counseling Center as the beneficiary of such a plan upon your death achieves an estate tax charitable deduction and avoids the imposition of any income tax. If you are at a point in life when you can withdraw funds from your retirement account without an early-withdrawal penalty (age 59 1/2), you might find it convenient and good tax planning to withdraw funds from your account in order to make your gifts.

Example: Jerome and Allison M. have made a commitment to make a charitable gift over a five-year period. After consulting with their tax advisors, they decide to make an annual withdrawal from Jerome's retirement account to fund the gift. While they will report the amount of the withdrawal each year as taxable income, it may be fully deductible as a charitable gift, often resulting in a "wash" for income tax purposes. Jerome and Allison anticipate that his plan will earn enough annually (tax-free) to cover the gifts, so the balance of his fund should be unaffected. Jerome's account is approaching the maximum that can be accumulated without penalty, so this practice may be good long-range tax planning, as well.

CHARITABLE REMAINDER TRUST

A charitable remainder trust ("CRT") is a popular estate-planning tool, which allows you or your designated beneficiary to collect a guaranteed income during your lifetime on principal, which will then pass tax-free to Sitike Counseling Center upon your death.

This form of giving makes an annual or more frequent payment, to you, or to whomever you choose. At the end of the trust term, Sitike Counseling Center receives those assets remaining in the trust. You may claim a charitable income tax deduction in the year that the trust is created equal to the present value of the remainder interest, and may avoid or defer capital gains tax on any appreciated assets contributed to the trust. Gifts to qualified charitable organizations are completely exempt from federal estate and gift tax.

WITH A CHARITABLE REMAINDER TRUST (CRT)		without a CRT
Fair market value of asset	\$500,000	\$500,000
Less taxes (if sold)	\$ 0	\$100,000
Remainder to invest	\$500,000	\$400,000
Income per year at 7%	\$ 35,000	\$ 28,000

Uncovering the Possibilities...

This brochure highlights some of the key planning techniques donors have used to meet their philanthropic needs. By no means is the list exhaustive. We highly encourage you to consult with your personal financial and tax advisors to determine which gift vehicle is right for you.

Any way you choose, Sitike Counseling Center and its planned giving experts are ready to assist you in constructing a gift that provides lasting benefit. An investment in Sitike Counseling Center is an investment in saving lives. On behalf of our clients who battle substance abuse every day, we thank you for your support.

About Sitike Counseling Center....

Sitike Counseling Center's mission is to provide addiction treatment that addresses the behavioral, chemical, emotional and spiritual needs of its clients.

Sitike is a 501(c)(3) nonprofit corporation. Since its founding in April 1988, Sitike Counseling Center has provided substance abuse services to over 9,000 San Mateo County residents of ethnically diverse backgrounds. We are certified by the State Department of Alcohol and Drug Programs and have been contracted to provide substance abuse treatment by San Mateo County Alcohol and Drug Services.

Sitike Counseling Center offers a variety of outpatient (non-residential) programs in English and Spanish, including a Women's Day Treatment Program, our Discover Recovery Program, an Acupuncture Clinic, a Deferred Entry of Judgment Program, and a First Offender Drinking Driver Program.

For more information on how you can support Sitike, please contact:

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