
Stigler

COMMUNITY
DEVELOPMENT
FOUNDATION

THE STIGLER COMMUNITY
DEVELOPMENT FOUNDATION
SHARING THE LEGACY

An American tradition which is true to contemporary society is that we endeavor to leave this world better than we found it.

What is tradition implies is that we all responsibility to our future generations. This is a tradition that is true for America, Oklahoma, Stigler, and Haskell County.

Consider Stigler and Haskell County. Each offers a thriving social, cultural and economic environment within to raise a family, earn a livelihood and retire – while enjoying a unique natural beauty and moderate climate. Most have chosen to live in these communities because of what the communities mean to them. Yet, all realize that the lifestyle can be made even better with aid of private philanthropy, especially that which is permanent; i.e. lasting.

One avenue in which to create this kind of philanthropy is through an endowment – a permanent philanthropic endowment for the enduring benefit of the Stigler and Haskell County communities. That is, an permanent gift, grant or bequest for the love of mankind as an act of charity.

Following is the information how an individual can have a lasting imprint on our communities by contributing to the Stigler Community Development Foundation.

THE STIGLER COMMUNITY
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A SENSE OF COMMUNITY

Giving away money responsibly has never been easy. In recent years, it seems to be getting more difficult. Donors face an overwhelming number of organizations and programs desperately searching for funds. For people with strong sense of community and personal commitment to making a significant contribution to the communities in which they live, the choices may be especially demanding.

Not surprisingly, many donors are unsure about the best ways to commit their funds. Determining where their monies can have the most direct and lasting impact can be frustrating and time consuming process. That is why thousand of Americans have chosen community foundations – the fastest growing instrument of planned giving the United States – as their preferred vehicle for philanthropy.

THE STIGLER COMMUNITY
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COMMUNITY BENEFITS

The Stigler Community Development Foundation provides leadership and visibility in attracting permanent endowments that might otherwise leave the community. The Foundation also seeks partnerships with other funding sources to address local needs.

THE STIGLER COMMUNITY
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DONOR BENEFITS

The donor leverages his gift because The Foundation packages grants from a variety of funds to finance projects that are beyond the resources of any single fund.

THE STIGLER COMMUNITY
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FUND STABILITY

Community foundations offer stability and continuity for charitable works unaffected by political shifts or economic downturns. This is especially important to donors who wish to see their philanthropic activities and concerns continue permanently.

The organizational, financial and board structures of community foundations are designed to assure effective community leadership through the upcoming decades and far into the future.

Community foundations offer a number of options for making donations. Usually gifts are made with the understanding that only the investment income from the donation will be distributed.

In some circumstances, however the principal, as well as the interest, may be distributed. Each donor can determine the distribution formula the best matches his own interests.

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FLEXIBILITY

Donors are able to create several types of funds within a community foundation. They can set up an unrestricted fund to help meet a variety of needs within the community, or can specify a purpose or area of concern for which income from the fund is used. Some donors even identify the charitable organizations to which grants are given.

Gifts may also be contributed to an existing general or specific purpose fund. This is often the best choice for modest contributions that can be joined with other gifts for maximum charitable benefit.

THE STIGLER COMMUNITY
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HOW IS IT ORGANIZED?

Stigler Community Development Foundation represents the charitable giving of multiple donors. The Foundation is formed through combining into a single entity the charitable gifts of individuals, families, corporations, private foundations and trusts and other nonprofit organizations – all of whom share a common commitment to the well being of Stigler and Haskell County. Funds may benefit a wide variety of charitable causes and groups

in the area ranging from education and the arts to health and human services and the environment.

THE STIGLER COMMUNITY
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WHAT TYPES OF GIFTS MAY BE USED?

Gifts to The Foundation may be made during the donor's lifetime using assets such as cash, securities, real property, personal property, life insurance, royalties or closely held stocks.

Or, the donor may choose to make a testamentary gift and designate The Foundation as the beneficiary of a bequest or trust. An array of planned giving vehicles is available to The Foundation donors who may select from among annuity trusts, unitrusts, lead trusts, pooled income funds, life insurance, gift annuities, life estate contracts and other mechanisms, depending on personal tax considerations, income needs and other factors.

Regardless of whether the gift is made during lifetime or upon death, the income, capital gains, and estates and gift tax savings on charitable gifts may be significant. Donors are urged to consult with their attorneys or tax counsels when major donations are planned.

THE STIGLER COMMUNITY
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IF NOT YOU...WHO?

Most people are aware of the charitable needs of the Stigler and Haskell County. They contribute their time and monies to help satisfy those needs. They also know that long-term stability is critical for the nonprofit sector, and that endowment promotes stability. Only a relative handful of people, however, combine both the capacity and the vision to lay the seeds of a community endowment, i.e. to plan and provide permanent charitable funds for the community they are fortunate to call “home”.

THE STIGLER COMMUNITY
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**FINANCIAL BENEFITS AND TAX
ADVANTAGES**

The Community foundation approach to planned giving offers a number of important financial benefits to donors. Because community foundations manage a large number of unrestricted and discretionary funds, administrative costs and service fees for any one fund are minimized – meaning less overhead cost to donor’s fund.

Another important advantage is the federal tax code provides significant incentives for contributions to a community foundation. In fact,

gifts to community foundations during the donor's lifetime are deductible to the maximum extent permissible under current law; i.e for gifts of cash, an amount equal to fifty percent (50%) of adjusted gross income (and if any year the donations exceed the percentage limitations prescribed by law, the excess may be carried over for the next five years).

There is also a significant benefit in the deductibility of gifts of appreciated property to the community foundation.

The full, fair market value of such gifts to community foundations (long-term capital gain property such as stocks and bonds, real estate or personal property) is deductible up to thirty percent (30%) of the adjusted gross income.

This means, for example, that if a living donor plans to make a gift of land with fair market value of \$101,000 that originally cost \$1,000, that full \$101,000 value is likely to be deductible.

THE STIGLER COMMUNITY

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SPEED AND EASE OF ESTABLISHING A FUND

Speed is also an advantage for many donors. Because the legal apparatus is already in place, a fund can, literally, be established, and the tax advantages obtained in a very short time.

THE STIGLER COMMUNITY
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FUND OPTIONS

Following are some of the most popular options in establishing a fund:

• **Unrestricted Fund** – This type of fund allows the donor's charitable giving to have the greatest possible impact now and in the future. The Stigler Community Development Foundation is authorized to allocate gifts to a variety of community programs and services, giving the most flexibility in responding to emerging problems and needs in the community.

• **Field of Interest Fund** – The donor may restrict his contributions to one or more of the following fields of interest:

- Community Development
- Community Beautification
- Education
- Arts and Culture
- Social Development
- Economic Development
- Youth
- Health Services

These funds are very broad in scope , yet encompass many of the essential strengths and needs of the community.

• **Designated Fund** – Designated funds are established to benefit one or more specific organizations. The donor's designation will be honored through the years, unless the designated organization should cease operation or otherwise cease to deliver the services the donor wished to support. In that case, programs with similar purposes

will be identified so that the charitable interest of the donor is fulfilled.

•**Donor Advised Fund** – Donors can establish a fund that enables them to make suggestions about distributions from the fund from time to time. While the Internal Revenue Service's regulations require that ultimate decision-making authority for grant-making must lie with the foundation, the donor's non-binding suggestions are taken into consideration by the board or distribution committee when grants are decided upon. The advised fund is especially useful for donors who want to take a charitable deduction one year and make distributions from income or principal over several years.

THE STIGLER COMMUNITY
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TYPES OF GIFTS

The Stigler Community Development Foundation will work with the donor in planning the kind of gift that can make a difference in the Stigler and Haskell County and at the same time provide income and tax benefits to the donor's family.

A gift can be made either during the donor's lifetime or upon his death. No gift is too small. A gift under \$5,000 is placed in the Community Fund, a general purpose endowment that will aid many different causes and projects.

A gift over \$5,000 can create a

separate fund that bears the donor's name or any other designated name, including a special cause or program. Named funds can be restricted to a particular organization, field of interest or be subject to donor advice. Or, a fund can be unrestricted and used by The Foundation as its discretion to meet emerging or unexpected community needs.

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OUTRIGHT "LIVING" GIFTS

An outright gift is certainly the easiest and quickest way of giving. It allows the community to benefit immediately from the use of the assets and provides the donor with the maximum income tax deduction allowable under law. Living gifts can be made with cash, securities, real or personal property, or even a paid life insurance policy.

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FUTURE "TESTAMENTARY" GIFTS

Following are various types of testamentary gifts for the donor's or investor's consideration.

- **Bequests** – A bequest in the donor's will is one of the simplest ways to make a gift to the Stigler Community Development Foundation. The donor

can name the Foundation as the direct beneficiary of specific assets, a portion of his estate, or a portion of his residual estate after payment of other bequests. A charitable bequest passes outside of probate and, thusly, is protected from estate taxes.

•**Life Income Plans** – There is a whole area of charitable giving that provides incomes as well as tax benefits to donors. Called “Life Income Plans,” these types of gifts provide immediate benefits to the donor and his family and the future, or “deferred,” benefits to charity. These plans are technically known as “charitable remainder trusts.”

•**Charitable Remainder Trusts** – These trusts have become a popular financial planning tool for many reasons. They are flexible, they supply a stream of income for retirement and they combine substantial tax benefits with the personal satisfaction that comes from making a gift that will one day substantially benefit the donor’s community. The major types of charitable remainder trust are:

•**Unitrust** – This type of trust provides the donor and a beneficiary with an income for life based on the annual value of the trust’s assets at the beginning of each calendar year. Funding a unitrust with appreciated assets (e.g. real estate, securities) provides unique tax advantages because it will not be necessary to pay income tax on the long-term capital gains at the time the assets are placed in the trust. The donor may add to the trust at any time. A pay-out rate (e.g

five, six or eight percent etcetera) is selected at the time the gift is made, but the income received by the donor will vary from year to year because of the annual valuation of the trust's assets.

•**Annuity Trust** – This is similar to a unitrust, except the donor's income payment is set when the trust is established and never changes. Like a unitrust, an annuity trust can be funded with appreciated assets for a maximum tax savings, but unlike a unitrust, no assets may be added after the trust is established.

•**Pooled Income Fund** – This is type of charitable remainder trust for smaller gifts with others and receives a stream of income based on the actual performance of the fund. Donors must start with at least \$5,000, but may add in increments of \$500 at any time.

•**Gift Annuity** – This is not a trust, perse, but an actual contract between the donor and the The Foundation. It is a gift annuity which creates a permanent stream of income for the donor and a beneficiary based on a fixed rate agreed upon the beginning of the contract. Gift Annuities offer a safe and dependable income for the life of the donor or designee.

•**Revocable Trust** – This trust is one where the donor may request return of the principal at any time. Generally, this type of trust is never revoked, but the option is left open in the event of some unforeseen economic changes which necessitate access to the principal. No income tax deduction is allowed on a revocable trust.

•**Charitable Lead Trust** – The reverse of a charitable remainder trust, the charitable lead trust pays income to your fund in the Stigler Community Development Foundation for a term of ten years, after which the donor's heirs receive the principal. This is an exceptional vehicle in which to pass along assets through several generations with potentially substantial savings in gift and estate taxes.

•**Insurance** – Direct Gift of Insurance as a charitable deduction is available for a gift of insurance where The Foundation is the owner and beneficiary. This type of gift can leverage a much larger sum for the charity upon the death of the donor.

Wealth Replacement Trust is insurance which may also be used along with a charitable remainder trust with tax savings and/or a portion of the trust's income stream, the donor can purchase life insurance equivalent in value to the trust's principal and in the process, "replace" the trust with insurance proceeds for the benefit of family members.

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DONOR SERVICES

Gifts to the Stigler Community Development Foundation may be made through bequest in wills or through gifts from living donors. Language for including the Stigler Community Development Foundation in a will is

available. Once a donor establishes a fund, new gifts can be added on an annual or other basis. Contracts for donors may also be obtained for file purposes and dissemination from the Stigler Community Development Foundation.

Since the mission of the Stigler Community Development Foundation is to provide for the permanent security of local philanthropy, gifts of permanent endowments are preferred giving option. However, to serve some donors' interests, the Stigler Community Development Foundation is also able to receive gifts with payout requirements that may include complete distribution of principal over the stipulated period of time.

Full discussion with the Stigler Community Development Foundation will help in selecting the best giving option to the donor.

Donations to the Stigler Community Development Foundation are fully deductible under IRS Code Section 170 as it is a charitable foundation described in IRS Code Section 501 (c)(3).

Donors and investors requiring additional information or documentation should contact the Stigler Community Development Foundation, 115 South Broadway, Stigler, Oklahoma 74462.

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