



Ways of Giving

To THE NATIONAL OUTDOOR LEADERSHIP SCHOOL

Gifts of Securities, Real Estate or Personal Property

A tax-wise gift of appreciated property can provide generous support for NOLS and generate significant tax savings for you. Almost any type of real property—stocks, a personal residence, a farm, a vacation home, a commercial building or an undeveloped parcel of land—can constitute a gift.

TAX-WISE GIFTS OF PROPERTY

The best thing about a tax-deductible, charitable gift to NOLS is that it strengthens the school's ability to provide the world's best education in leadership and wilderness skills. But many gifts also provide benefits to you, the donor.

By making a tax-wise gift of appreciated, long-term (more than one year) property, you can save taxes twice. First, you receive an income tax charitable deduction for the current value of the property. Second, you save by eliminating the payment of capital gains tax on the increased value of the stock or property.

You can deduct the full value of your donation—up to 30 percent of your adjusted gross income. If you cannot use the entire amount in the first year, you can carry over the deduction for up to five years.

In 2003, the maximum tax rate on net capital gain decreased from 20 percent to 15 percent. The reduced rate applies for both the regular tax and the alternative minimum tax.

ILLUSTRATION

Some time ago, Jane Brown bought 200 shares of XYZ stock worth \$25,000. The stock is now worth \$50,000. Jane would like to make a \$50,000 gift to the NOLS International Base Camp Initiative, which would allow her to name the fireplace in the alumni lounge of the new NOLS international headquarters building. One option is to sell the stock and then donate the proceeds. While this would grant Jane a generous income tax deduction in the year of the gift, the table below illustrates the additional tax benefits of donating the stock directly to NOLS.

	Give \$50,000 in cash	Sell securities & give cash	Donate \$50,000 in stock
Income Tax Savings	\$16,500	\$16,500	\$16,500
Capital Gains Tax Savings	0	0	\$3,750
Total Taxes Saved	\$16,500	\$16,500	\$20,250

**Assumes 33% federal income tax rate and 15% capital gains tax. State taxes may further magnify tax savings.*

CHOOSING THE RIGHT PROPERTY TO GIVE

Though any gift of appreciated property can save taxes, it makes sense to review your entire portfolio when planning a gift. When selecting property to donate, the best choice will usually be the asset that would be subject to the highest capital gains tax if sold.

For example, you might have stock in a company or mutual fund that has significantly increased in value since you purchased it. Because the appreciation is subject to capital gains tax if you sell the asset, this would be a good choice for a charitable gift. Additionally, if you have made multiple purchases of this stock, you should give the shares with the lowest cost basis (and therefore the greatest appreciation). These are likely to be the shares you bought first.

GIVING DEPRECIATED PROPERTY

If you wish to donate property that has lost value, you should sell the assets, take a loss for tax purposes, then contribute the cash received from the sale. In that case, you receive a deduction both from the loss and from the charitable gift.

DONATE AN ASSET AND RETAIN THE INCOME

Did you know that you can donate an asset to NOLS and continue to receive income from the property? This type of gift is called a life income gift. As the name implies, a life income gift pays you income for life or a term of up to 20 years and lets you simultaneously realize your philanthropic goals. Benefits often include significant tax savings, including income, capital gains and estate taxes, and frequently increased income for you or a designated beneficiary.

For more information on life income gifts, contact the NOLS development office or consult the document on that specific gift vehicle.

COMPLETING A GIFT OF SECURITIES

Donating securities, including bonds and mutual funds, is straightforward. If a financial institution holds the securities, consider a convenient electronic transfer:

To make an electronic gift of securities:

1. Our depository trust company is Smith Barney
2. Their DTC number is 0418
3. Our account number with them is: 39A-26882-19-048
4. Our contact person is Gilly Jean-Pierre, direct line: 212-492-6958, e-mail: guilaine.c.jeanpierre@smithbarney.com
5. Stock must be transferred to the specific name: National Outdoor Leadership School, tax id number is: 83-0204184
7. Smith Barney's toll free phone number: 1-800-917-9662

If you have possession of stock certificates, you can donate them via registered mail:

To make the gift by mail:

1. Registered person should sign the back of the certificate and authorize that the shares are to be deposited to National Outdoor Leadership School, account number: 39A-26882-19-015
2. Send the certificate by registered mail to:
Smith Barney Inc.
Equitable Center
787 Seventh Ave 36th Floor
New York, NY 10019

VALUATION OF DONATED SECURITIES

NOLS receipts and recognizes the gift based on the net amount that comes to the school after the sale. Donated securities are sold immediately upon their receipt, but prices can fluctuate, even in a short time. Therefore the gift amount might be different than the amount you can claim for tax purposes (due to broker fees and share price fluctuations).

An appraisal is ordinarily not required in the valuation of a gift of publicly traded securities.

COMPLETING GIFTS OF REAL ESTATE

Real estate—including vacant land, a farm, a personal residence, vacation properties or commercial property—often provides an excellent, tax-smart way to donate to NOLS. As with securities, you will avoid the penalty capital gains tax if you donate the property to NOLS rather than selling it, and you also receive a generous income tax deduction in the year of the gift.

As with securities, real estate can also be used to fund some types of life income gifts or charitable remainder trusts, thus providing income for you in addition to generating tax benefits. Please review the information on 'life income gifts' on our website or contact the NOLS development office if you think this type of gift might fit your unique situation.

LIFE ESTATE AGREEMENT

Another creative gift possibility is to donate your home or farm and retain the right to live in it for the rest of your life. In a life estate agreement, you transfer property—usually a home, farm or ranch—to NOLS. You may choose to live in the residence for the rest of your life. Benefits of this arrangement frequently include significant income tax savings for the year in which the agreement is established and a reduction in gift or estate taxes.

GIVING PERSONAL PROPERTY

NOLS also welcomes gifts of personal property if the school can use the property in pursuit of its mission or if the property is readily marketable. Internal Revenue Service guidelines require an appraisal for all personal property gifts valued over \$5,000.

Please contact the NOLS development office if you are considering a donation of real estate or personal property.

MAINTAIN GOOD RECORDS

The Internal Revenue Service requires that you keep acknowledgements of charitable donations exceeding \$250. Upon receipt of your donation, NOLS will mail a letter acknowledging the donation and stating clearly whether any goods or services were given to you in connection with the gift. You should file this letter with other financial or tax documents.

CONTACT NOLS FOR MORE INFORMATION

None of us donates to NOLS simply to save taxes. We all give for many personal reasons: a belief in NOLS' mission, a desire to preserve wilderness, a commitment to creating opportunities for wilderness and leadership education, or maybe a compelling interest in the school's past and future achievements. Regardless, most individuals want to stretch their assets to do the most good for the most people.

Gifts of property are an excellent way for NOLS supporters to pursue both personal and philanthropic objectives. We would welcome the opportunity to talk with you and your advisors about these and other tax-smart ways to achieve your goals.



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