TOP 5 YEAR-END GIFT IDEAS
NOW IS THE TIME
Make your voice heard by supporting KUT and KUTX

The end of the year is a good time to reflect on the past months and what you have accomplished, along with what you would like to achieve in the future. Perhaps you want to limit what you will owe next tax season, or maybe you aspire to make a difference in the world. Do both — by making a year-end gift. This guide explains the benefits of making charitable gifts at the end of the year, along with five simple, tax-smart ways to give.

**Why Donate Now?**
For those who itemize deductions, a gift is deductible on your income tax return in the year in which it is made. Why does the tax deduction help? Because it decreases your out-of-pocket cost of donating a charitable gift. Generally, the effect of the deduction is that the higher your income tax bracket, the more you will save in taxes.

**5 Gift Ideas to Consider by Dec. 31**

1. **Cash.** Nothing is as simple and direct as giving cash. You can make a general donation and we will use your gift for our current needs. You may also designate your gift for a specific purpose. You must have a receipt from us to document all cash contributions regardless of the amount.

2. **Securities.** The best stocks to donate are those that have increased greatly in value, particularly those producing a low yield.
   - **Appreciated securities.** If you donate stock that has risen in value over what you originally paid for it and that you’ve owned for more than one year, you pay no capital gains tax on the transaction and qualify for a charitable deduction for its full fair market value.
   - **Depreciated securities.** If you have stock losses, you generally should not contribute the stock to charity; instead, sell the stock to realize any allowable loss for tax purposes. You can then donate the cash proceeds from the sale and take a charitable deduction when you itemize.

3. **Life Income Gifts.** By placing property into any one of a variety of life income gift vehicles, you can receive an income for yourself and/or another person while making a generous gift to KUT and KUTX. These types of gifts work well for people who are holding assets they need for current income but would like to make future gifts.
   - One type of life income gift is a charitable remainder trust. With this option, payments are made to you and/or your selected loved ones for a specified period of time up to 20 years, or more commonly for the lifetimes of those you select to receive the payments. After the trust ends, the balance in the trust would support KUT and KUTX.

   Charitable remainder trusts are funded with assets you contribute, such as securities, appreciated property or cash. Once given to the trust, the trustee can sell the assets (eliminating up-front capital gains taxes) and reinvest the proceeds to produce a higher yield for you or other beneficiaries. With this arrangement you also obtain an income tax charitable deduction (based on factors such as the beneficiary’s age and the amount of annual income received from the trust).

If you’d like information on how your gift can help KUT and KUTX, simply contact Wade Lee, director of development, at supportkut@austin.utexas.edu or 512-471-4502.
4 Real Estate. If you have owned your home or other real estate for a long time, it has likely significantly increased in value. If you would like to help fulfill our mission, your property opens the door to some unique giving opportunities, such as the following:

- **Give the property to KUT and KUTX now.** Before you sell real estate that would result in a sizable capital gains tax, consider donating the property to KUT and KUTX. You will eliminate the tax and qualify for a charitable deduction for the full fair market value of the property.

- **Place the property in a trust.** It is particularly effective for you to donate real estate you have owned for more than one year that you don’t live in and that is producing little or no income for you. You can turn the property into a new income flow to you through an income-producing charitable gift plan, such as a charitable remainder trust (highlighted earlier in this guide).

- **Retain the use of the property for life.** If you like the tax advantages that a charitable gift of real estate would offer but you want to continue living in your personal residence for your lifetime, consider a retained life estate. By deeding your home to KUT and KUTX now, you can still obtain valuable tax savings. Even though we would not actually take possession of the residence until after your lifetime, you qualify for an income tax charitable deduction because the gift cannot be revoked.

5 Life Insurance. As you review your year-end financial status, remember that a no-longer-needed life insurance policy is a practical gift. Policies that are truly paid up, which are rare, may be deductible as gifts for their replacement value or how much you originally paid for them (their cost basis) if that amount is lower than the replacement value. You can also give policies that still require premiums to be paid, which is more common; these are deductible for the lesser of their fair market value or cost basis. In either case, to qualify for income tax deductions KUT Radio must be named as policy owner. Any future premiums you pay may also be deductible.

A policy naming KUT and KUTX as beneficiary but not policy owner provides us with a future gift as well, but without current income tax deductions for you.

### Timing Your Gift

To qualify for a tax deduction this year, timing becomes an issue that requires attention. Following are some specific guidelines for certain types of gifts.

- **Cash.** If issuing a check, the effective date of your contribution is the date it is hand-delivered or mailed. If you plan to send your gift by mail, we recommend that you send your gift via the U.S. Postal Service postmarked prior to the end of the year.

- **Securities.** The gift is effective on the day you hand-deliver a properly endorsed stock certificate or an unendorsed stock certificate and a properly endorsed stock power. If making a gift of securities through the mail, it is best to send each of these documents separately. The date of your gift in this instance is the date of the latest mailing.

  When transferring stocks electronically, which is more common than holding actual stock certificates, the value of your gift and the date of the gift are determined by the date of the delivery, which is generally the date the securities are received in our account, not the date you contacted your broker.

- **Real Estate.** The effective date is the day you deliver the signed deed transferring your property to KUT. If your state law requires recording of the deed to fulfill the title, then the date of recording is the gift date.