



SUMMER 2014

# Let Centre

BE YOUR CHARITABLE GIVING RESOURCE

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## Are You Getting Your Bonus?

### **GUIDELINES TO ENSURE YOUR DEDUCTION**

We can't say thank you enough for your support of Centre College. Your gift is what allows us to provide a personalized, challenging education for our students.

An added bonus of your donation is that you are eligible for a federal income tax charitable deduction. To receive your deduction, however, you must maintain proper records. Following are basic guidelines to help ensure you receive the tax benefits you deserve.



**Cash gifts of any amount.** You must have a contemporaneous receipt from us stating the date of the gift, the amount, and whether you received any goods or services in exchange for your donation. You don't need to send this to the IRS, but you do need to have it on hand when you send in your income tax return.



**Gifts by check.** If you write a check for less than \$250, a copy of the check will suffice as a record of the gift. You should always obtain a receipt for a gift by check of \$250 or more.



**Gifts of property.** A donation of property requires a receipt if it's worth \$250 or more. For gifts of property valued at more than \$500, you'll also need to include IRS Form 8283 with your tax return. If you want to deduct more than \$5,000, you'll need to obtain a qualified appraisal unless you have donated marketable securities.



**Life income and deferred gifts.** Save a copy of the gift agreement. Your tax advisor will figure how much you are able to deduct from your income taxes. A copy of that calculation should be sent to the IRS with your return. If you carry forward a portion of the tax deduction, keep a record of each year's deduction.



### **If you have questions**

about receiving your entitled benefits when supporting Centre College, please contact Jamey Leahey '92 at (859) 238-5224 or Bill Breeze '45 at (859) 238-5207.



# Your Marital Status

## DOES IT AFFECT YOUR ESTATE PLAN?

Whether you are married or single, your marital status should be taken into consideration when planning your estate. Singles in particular have certain areas they need to keep in mind. Following are a few of those areas. If you aren't single, the tips below are still a good reminder about vital estate planning tools. How do they relate to your plans for the future?

**Create or update your will.** Whether you have never been married or you used to be, you need a will. Without a will, your estate will be distributed under state law, and it's unlikely the state legislature's plan matches yours. Distant relatives may end up with a share of your estate instead of the loved ones and causes you care about. If you already have a will, make sure it reflects your current wishes.

**Prepare for incapacity.** In the event you are unable to speak on your behalf because of an accident or illness, a durable power of attorney designates a trusted individual to handle legal and financial affairs on your behalf. If you are unable to make health care decisions, a health care power of attorney stipulates who will make those choices.

**Plan ahead for your children.** If you are planning to marry and you have children who are not related to your new spouse, consider a legal agreement that will ensure that individual and your children receive inheritances from your estate in proportions you desire.

**Find a gift that fits your goals.** When planning your estate, there are a number of smart gifts you can incorporate that will amplify your support of Centre College in ways that work for you. Consider these options:

- If you have limited family obligations to plan for after your lifetime, a gift in your will or trust is a flexible way to make a big difference.
- If you need more income and want to reduce taxes, consider funding a charitable remainder trust or gift annuity.
- If you want to commemorate someone dear to you, you can endow a specific program in that person's honor.
- If you do not have anyone you are planning to pass your home to after your lifetime, consider a retained life estate. With this arrangement, you obtain an immediate federal income tax deduction by agreeing to give Centre College the interest in your home after your lifetime, while retaining the right to stay there as long as you live.

Which gift makes the most sense for you? Contact Jamey Leahey '92 at (859) 238-5224 or Bill Breeze '45 at (859) 238-5207 to discuss your options.





## Got Plans?

Our *Personal Estate Planning Course* is now available to you on our website at no charge. Just visit <http://giving.centre.edu> and click on "Planned Giving" under the "Programs & Projects" tab to download your complimentary electronic copies of the lesson book and accompanying record book. And get planning today!

## Easy as 1-2-3

### DESIGNATE YOUR ASSETS FOR HELPING CENTRE COLLEGE STUDENTS

If you are looking for an easy way to support Centre College, but can't part with assets today, consider designating us as the beneficiary of your retirement plan assets, insurance policies or annuities.

These types of gifts are simple and offer peace of mind since they can be altered at any time throughout your lifetime. Consider the following options:

**Retirement plan assets** make a tax-wise gift to Centre College. If your children are the beneficiaries of your retirement plan assets, federal income taxes may erode up to 39.6 percent of the amount they receive from your plan. In contrast, as a nonprofit organization, we are tax-exempt and eligible to receive the full amount and bypass any federal taxes.

**Life insurance** is a low-cost way to provide a large gift. You can name

Centre College as primary or contingent beneficiary. If you name us as contingent beneficiary, we will only benefit if your primary beneficiary predeceases you.

**Commercial annuities** carry an income tax burden, making your named beneficiary responsible for paying the income tax due on the growth of your annuity. The tax burden makes these assets a popular choice to leave to Centre College because we, as the recipient, can eliminate the tax bill on the portion we receive.

### How to Name the College as a Beneficiary

- 1** Contact your retirement plan administrator, insurance company, bank or financial institution for a change-of-beneficiary form.
- 2** Decide what percentage (1-100) you would like us to receive and name us, along with the percentage you chose, on the beneficiary form.
- 3** Return the form to your plan administrator, insurance company, bank or financial institution.



## Don't Procrastinate One More Day

Start the important process of planning your will by requesting our FREE guide **What You Need to Know About Wills** using the enclosed survey.



# What Happens to Your Will?

## THE STEPS THAT TAKE PLACE AFTER YOU'RE GONE

You know having a will is vital when it comes to distributing your assets to the people and causes you care about. But what exactly happens to your will after you pass away?

After your lifetime, your will goes through what is known as probate—the legal procedure by which the courts oversee that your assets are properly distributed.

In general, if you leave a will, the will is submitted to a court for legal review. If you die without a will (called intestate), a court becomes responsible for ensuring that your estate is distributed according to your state's intestate succession laws. A number of steps occur in the probate process, including the following:

- Your will and any codicils are submitted to the probate court.
- An executor is appointed to act on behalf of your estate.
- People and businesses that have claims

against your estate or owe money to your estate are notified.

- Your estate's assets are inventoried.
- Any valid claims or bills are paid from your estate.
- The court determines when your estate is ready for distribution.
- Your estate's assets are divided among your designated beneficiaries.

Depending on your estate, several additional steps may be involved. It is also important to note that laws about wills and probate vary from state to state. If you move to another state, it's a good idea to have an estate planning attorney review your will to see if it is valid in your new state.



## Did You Know?

You can use your will to extend your support for Centre College beyond your lifetime. Contact us to learn more about this simple yet significant way to donate.

**Thank you for your support.** Your donations—large and small—make a big difference to our students.



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