

THE BISHOPS FOUNDATION INC

Ways to support the Foundation

Here are a few ideas about the various ways Donors might support The Bishops Foundation in the U.S. and the tax ramifications thereof:

There are a number of ways you can support The Bishops Foundation. How you make your gift may well determine how much you can give and what the tax ramifications are. Some alternatives to consider are:

Bequest in Your Will

The way some people include The Bishops Foundation in their estate plans.

Beneficiary Designations

Easy to do — Revocable if circumstances change

Charitable Gift Annuity

The older you are, the better you'll like this life-income gift.

Charitable Remainder Trusts

A way to provide income for yourself or a loved one, and a future gift for The Bishops Foundation.

Charitable Lead Trusts

Make your assets work overtime; first for The Bishops Foundation, then for your family.

Retained Life Estate

Give The Bishops Foundation your home, but don't move out.

Bequest in Your Will

Donors may provide for The Bishops Foundation in their wills; and, for many, it might be the largest gift to Bishops they could ever consider. As you review the various deferred gifts discussed below, please keep in mind that one of the simplest ways for you to perpetuate the kind of programming you value so highly is through your will.

You can decide

In your will, you have choices as to how you name The Bishops Foundation as a beneficiary. Whichever you select, it is important that bequests should be made to "The Bishops Foundation, Inc., New York, federal tax identification number 133366564."

- One possibility is a bequest of a fixed dollar amount. Another is to give The Bishops Foundation a percentage of the estate. Finally, you may prefer to designate The Bishops Foundation to receive the residuary estate, or a portion of it.
- Bequests are the way many donors create endowed funds. If you do decide to restrict your bequest, we ask that you include the following language in your will:

"If at any time, in the judgment of the Board of Trustees of The Bishops Foundation, Inc. , it is no longer practicable to use the income or principal of this bequest for the purpose stated herein, I authorize them to use the income or principal for any purpose they deem to be consistent with such purpose."

Beneficiary Designations

If you would like to include a gift to The Bishops Foundation in your estate plans without changing your will, consider making The Bishops Foundation the beneficiary of one of these:

- A life insurance policy
- Your IRA or other retirement plan
- A savings account
- A stock brokerage account or mutual fund

Easy to Do

Simply contact your insurance agent or IRA administrator and ask for a change of beneficiary form. You might be able to get the form online. Add The Bishops Foundation, Inc., New York, federal tax id number 133366564, as a new beneficiary to receive a portion of the death benefit/remainder.

For the bank and brokerage accounts, ask your representatives how you can make them Transfer on Death (TOD) accounts. Then name The Bishops Foundation, Inc. as the entity that will receive whatever remains in those accounts at your death.

Charitable Gift Annuity

Donors, who would like to make large contributions to The Bishops Foundation now, but need the income from their investments, often find the Charitable Gift Annuity is the perfect way to support the future of the station.

How a Charitable Gift Annuity Works

Make a gift of cash or stocks/bonds to The Bishops Foundation in exchange for a gift annuity. We reinvest the assets with the trust department of a major bank or life insurance company and agree to pay you fixed payments for life (and, if desired, for another beneficiary's lifetime). These payments do not fluctuate and they are made every three months as long as the income beneficiary is living. Then, the funds are used to support our work or to create a named endowment to perpetuate the kind of programming you enjoy.

The annuity rate is related to the ages of the recipients. In recent years, participants in gift annuity programs have enjoyed rates ranging from 5% to 6%, depending on the age of the recipient.

Benefits for Viewers Who Support The Bishops Foundation this way

- The portion of the transaction that is considered a gift qualifies as a charitable deduction.
- Part of the annual payments is considered a tax-free return of capital, excluding it from gross income until you reach your life expectancy.

- If you contribute appreciated securities, only a portion of the capital gain is reported and its payable over your life expectancy — not in one year.

Charitable Remainder Trusts

Charitable Remainder Trusts, or CRTs, can provide people with a way of making a very substantial future gift to The Bishops Foundation without depriving them of the income they may need during their lifetime.

How CRTS Work

You transfer assets (cash, stocks, bonds or real estate in most cases) to a trust. The trustee may sell the assets and reinvest the proceeds in a portfolio of stocks and bonds. You receive an income for life after which the trustee distributes the remaining assets to The Bishops Foundation and any other charities you have designated.

Types of CRTs

- **Charitable Remainder Annuity Trust (CRAT)**
The CRAT pays the income beneficiary a specific dollar amount that does not change during the time the CRAT is in existence.
- **Charitable Remainder Unitrust (CRUT)**
The CRUT pays the income beneficiary a variable income based on a percentage of the trust assets as valued each year. That percentage must be at least 5% and in most cases would be in the 5%-7% range.

Tax Benefits

When you create a CRT, you are making an irrevocable commitment to a qualified nonprofit organization of a future gift. The IRS allows you to deduct a portion of the amount transferred to the CRT as a charitable gift in the year the CRT is funded.

Another tax benefit is that when you fund a CRT with appreciated stocks, bonds, or real estate owned for more than one year, your lifetime income and your income tax deduction are based on the current fair market value of the assets. They are not reduced by the capital gains tax that would be due on the sale of these assets.

Charitable Lead Trusts

Donors who are concerned about their heirs receiving a large inheritance at too young an age sometimes find the charitable lead trust to be a useful estate planning strategy. It has the effect of making certain assets accomplish two objectives. First, the assets provide important funding for programming at The Bishops Foundation. Then, they are passed along to heirs at a time when these family members are able to use the assets to best advantage.

You decide when it all Begins

This trust provides funding for The Bishops Foundation either immediately, if you create it during your lifetime, or beginning at your death if you establish it as a testamentary trust. Either type of lead trust offers you a good way to carry out your philanthropic plans over the coming years and save on taxes. Plus, you keep ultimate control of the trust assets within the family.

The lead trust is an exceptional way to transfer property to your children or other heirs at minimal tax cost because a charitable gift/estate tax deduction is allowed for the value of the payments received by The Bishops Foundation.

You Decide Who Gets What. And When

The charitable lead trust has a couple of different versions. This allows you to structure the arrangement in a way that meets your specific objectives. You decide how much is paid to The Bishops Foundation, and for how long these payments are made. You also select the individuals who will be receiving the assets in the future, and when they will get them. If you are not sure about the ultimate destination of the trust assets at the time you create the lead trust, you can designate someone to make the decision for you when the time comes.

Retained Life-Estate

You can give The Bishops Foundation your residence and continue to enjoy its use for life. You can give us your house or apartment and receive a charitable deduction for it, even though you continue living there. This is called a retained life estate.

Give Your Home but Enjoy Life Use

Let's assume 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. You'd like to retain the right to rent your house or make improvements. You may also want a survivor (perhaps your spouse) to enjoy life occupancy. But ultimately, you'd like for The Bishops Foundation to be able to sell the property and use the proceeds to support the College.

You can deed your home to us now, subject to all these rights, and still obtain valuable tax savings.

Consider the Tax Implications

A gift of your home, farm, vacation home, or condominium, even with stipulations about occupancy, results in an income tax charitable deduction.

There may also be estate tax savings, as well. When you leave the home to your spouse through your will or some form of joint ownership, it's generally not subject to federal estate tax. However, if you want anyone else to live in the home after your lifetime, you pay a substantial estate tax to leave the property to them.

The retained life estate provides you with a way to let someone other than your spouse have life occupancy of your home without the associated tax payments.

CONTACTS

The Bishops Foundation Inc.

40 East 80th Street, Suite 6B

New York, NY 10075

Email: bishopsfoundation@gmail.com

Tel: (631) 365-2486, (631) 898-4774

Tax ID No.: 133366564

Trustees: L J W Goetz, Chairman