

St. James Parish Foundation

Leave a lasting legacy for our church community.

Our Mission

The St. James Parish Foundation was established in 2003 with the mission of supporting the needs of St. James Parish in perpetuity. The Foundation supports its mission by providing financial contributions, generously donated to the Parish, through targeted distributions for capital or specific campaign-related needs.

Financial Snapshot

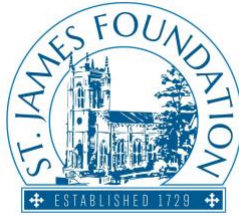
The Foundation oversees more than \$4 million in assets. Historically, up to 4 percent of the assets are used annually to provide financial support for campus expenses such as the repair and replacement of the church roof, storm restoration, structural repairs, and operational expenses. Foundation investments are managed by an outside professional investment firm with concentrated efforts to appropriately manage and grow the Foundation assets, and are monitored by the Board.

How to Give

The Foundation is a 501(c)3 organization. Gifts can be made with cash or appreciated stock, or with the use of a Qualified Charitable IRA Distribution, a donor advised fund or via an estate planning gift.

Donations can be directed to two funds:

- **Foundation Fund:** Donations made to the Foundation Fund grow perpetually and distributions up to 4% are made annually to the parish for discretionary use by the Vestry.
- **Perpetual Pledge Endowment Fund:** Each year, 4% of this fund is automatically distributed to the parish for discretionary use by the Vestry.



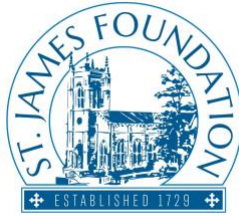
Planned Gifts

The Foundation offers parishioners opportunities to support the mission of St. James Parish by participating in a program of planned giving. Planned giving is charitable giving coordinated with the overall financial and estate plans of a donor and family members, for which there may be important tax benefits. Planned charitable giving may be funded either during the donor's lifetime or after the donor's death. Planned gifts to the Foundation may be considered for several reasons including:

- Support of St. James during life and continuation of support of St. James even after death
- Reduction of estate taxes
- Reduction of income taxes
- Diversification of investment portfolio while avoiding capital gains taxes
- Life insurance policy no longer needed
- Use of asset with low-cost basis without tax penalty
- Children who do not need their parents' assets
- Increase of spendable income
- Desire for restrictions on use of assets and for professional management of assets
- Provision of income for a family member while making a charitable gift
- Reduction of estate settlement costs

Ways to Give During the Lifetime of a Donor are:

- **Cash** – One of the easiest ways to support St James is with a gift of cash. In general, the income tax deduction for gifts of cash is up to 50 percent of a donor's adjusted gross income, and any amount over 50 percent can be carried over for five years.
- **Securities and Real Estate** – Gifts of appreciated property, such as securities and real estate, may provide a double tax benefit. Not only do you receive an income tax charitable deduction for the fair market value of the property, you may also avoid capital gains tax on the property that would have been due on its sale.
- **Tangible Personal Property** – Do you have valuable fine art, rare books, stamp, or valuable collectibles you've considered donating? The Foundation can receive

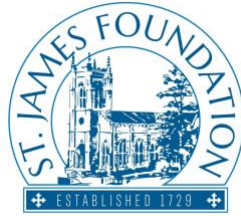


such gifts of personal property. The income tax charitable deduction allowed for such gifts depends on the use of the property.

- **Qualified Charitable Distributions (QCD) from an IRA** – There is a special opportunity for giving for individuals who are at least 70.5 years old and who have an IRA. You can give any amount, up to \$105,000 per year, from your IRA directly to the Foundation, without recognizing any income on the distribution in your personal tax returns. Not recognizing the income means you do not have to itemize your deductions to get a tax benefit on this type of gift. For individuals who are 73 years old, directing IRA funds to the Foundation can be used to satisfy your required minimum distribution. Distributions may only be made from traditional IRAs and Roth IRAs, not 401(k), 403(b) or pension plans.
- **Distributions from a Donor-Advised Fund** – You can make distributions to St James from your donor-advised fund. A donor-advised fund is essentially a charitable savings account. You can set up a donor-advised fund at a community foundation or financial organization. You receive an income tax deduction when the gift is made to the donor-advised fund. This can allow you to "bunch" several years' worth of charitable gifts into one year and itemize deductions. The fund then makes distributions over several years to charities selected by you.

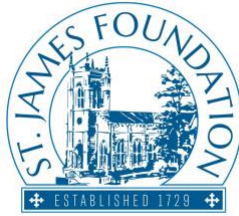
Planned Giving and Gifts After the Death of a Donor are:

- **Bequests by Will or Trust** – We encourage parishioners to remember the Foundation and the Parish in their will or revocable living trust. A will or trust may provide that St James receives a specific bequest of cash or other assets, or a portion of your residuary estate. You may also make a contingent bequest, whereby St James becomes a beneficiary only if a primary beneficiary does not survive you or another condition is not met. If you have a taxable estate, your estate will receive an estate tax charitable deduction for gifts to charity.
- **Payable on Death (POD) Accounts** – A POD bank account or a Transfer upon Death (TOD) brokerage account can name the Foundation as the beneficiary of all or a portion of funds in the account upon your death. The beneficiary you name has no rights to the funds during your lifetime, and you are free to use the money in the account, change the beneficiary or close the account.
- **Retirement Accounts and Annuities** – A simple way to support St James is to name the Foundation as beneficiary of your IRA, 401k, or annuity. To do so, you



should obtain a change of beneficiary form, complete the form, and return the form to the custodian to be processed. Because the Foundation is tax-exempt, it can receive the entire value of an IRA or annuity, undiminished by income tax – whereas an individual beneficiary would have to pay income tax, reducing the value received.

- **Charitable Remainder Trusts** – This special kind of trust allows you to support the Foundation while retaining current income for yourself and/or a beneficiary, and can defer income tax on appreciated property. Typically, a donor transfers appreciated assets to a qualifying trust and retains a right to annual payments from the trust. At the end of the term, or at the donor's death, the remainder passes to charity. The income tax benefits are twofold. The donor receives an immediate income tax deduction upon making the gift to the trust for the value of the remainder; and the trust can sell the appreciated asset without paying capital gains. The gain is carried out and taxed to the donor, but only over time as the annuity payments are made.
- **Charitable Lead Trusts** – This is another tool which can support both the Foundation and your family. A charitable lead trust pays a set amount or percentage to charity each year for a term of years. At the end of the charitable term the remaining amount passes to your family. This type of trust can be a good for donors who could benefit from a large income tax deduction to offset income in a particular year. If the assets in the trust appreciate at a rate that is higher than the rate at which distributions are paid out during the charitable term, substantial value can pass to your family at the end of the term, using little to no lifetime gift exemption.
- **Gift Annuities** – If you currently enjoy a high income and could benefit from tax relief, a gift annuity can give you deductions now and allow you to augment your future retirement income on a tax-favored basis. When you transfer cash, marketable securities, or real estate, specified annuity payments are made to you and/or other beneficiaries. The payout rate depends on the age and number of beneficiaries. You can claim a current charitable deduction. Also, a portion of each annuity payment is treated as tax-free income over the life expectancy of the annuitant. If you use appreciated assets, you may enjoy a favorable capital gains treatment at income tax time.



- **Remainder Interests in Property** – You can make a gift of real property to the Foundation and retain a life estate. In this way, you could continue to live at a personal residence or farm and still make a gift of the property to benefit the Foundation.
- **Life Insurance** – This is an often-overlooked means of giving which allows you to make a substantial gift to support the Foundation. When you make the Foundation the owner and beneficiary of a policy on your life, your premium payments may be fully deductible, and the policy's value is not part of your taxable estate. When you make the Foundation the owner and beneficiary of a paid up policy, you may be entitled to an immediate income tax deduction. If you decide to simply name the Foundation as the policy's beneficiary, you do not receive an income tax deduction, but at your death, your estate may be entitled to a federal estate tax deduction for the entire amount of the death benefit.

To discuss making a gift to the Foundation, please contact a Foundation Director or the Financial Administrator at finance@stjamesp.org

Please note that the foregoing outline of selected planned gifts is a summary only. Many of the strategies discussed above are subject to certain limitations, restrictions, and conditions. Further, certain strategies (for example, the transfer of appreciated property for a gift annuity) may trigger taxable gain depending on your particular circumstances.

THE FOREGOING INFORMATION IS NOT INTENDED AS LEGAL, TAX OR INVESTMENT ADVICE. FOR SUCH ADVICE, PLEASE CONSULT YOUR ATTORNEY, CPA, TAX, OR INVESTMENT PROFESSIONAL.