



## Keeping up the Pace with the best in health science education through gifts to Kettering College . . .

*Setting the Pace in Health Science Education* is a comprehensive, campus-wide philanthropic effort to help Kettering College reach greater levels of excellence in teaching, program and facilities development, community partnerships, and service learning. Your gift to this campaign is an investment in the future of higher education and to the future of value-based health care and community service. It will touch countless lives on campus, across the state, and around the world, for years to come.

You can ensure that Kettering College of Medical Arts continues to set the pace in health sciences education with your support through a variety of gifts and partnerships.



## ■ Gift-Planning

Gift-planning, especially, can make your provisions for Kettering College more significant while achieving your own personal financial and philanthropic objectives.

Keeping up the pace in health sciences education is an ongoing commitment. How you choose to participate depends on a number of factors. We understand that our contributors balance family needs, personal lifestyle, and financial resources with their love for the college, as they consider gifts. This requires careful planning, and the Kettering Medical Center Foundation professional staff is ready to give you a hand along the way.

As we help contributors plan their gifts, we need to know each contributor's charitable needs, wishes, and expectations. Once we establish your interests in making a difference at Kettering College, we then begin to put together a gift plan. Ideally we are able to develop a plan that benefits you, and your family, and advances the mission of the college.

Gifts can be outright—such as cash gifts, or gifts of appreciated securities, or deferred—gifts that benefit Kettering College at a later date.

- Gifts of cash or securities are always welcome and benefit you and the college immediately. Often, you can enjoy greater tax benefits from a cash gift or securities. We encourage donors to send gifts under \$5,000 to the college's Annual Fund, which makes those monies available to students, faculty, programs, or projects within the calendar year.
- Larger gifts often go into endowed scholarship or general endowed funds, or into other major capital projects, such as facilities development—"bricks and mortar."



- Planned or deferred gifts ensure future growth and development of the college and can secure an income for you, as well. We have several instruments that can help you do this.

Of course, you can decide where and how a gift of any size is put to use for the college.

The planning ideas described here are not meant to be all-inclusive. Instead, we hope this document encourages you to consider several forms of giving and to ask questions about them. *It is important that you confer with your professional advisors before making any final decisions.* We are always available to you when you want to partner with us to advance the mission of Kettering College of Medical Arts to educate the very best health care professionals—nurses and allied health care workers of the greatest competence and the highest character.

It's up to community leaders like you to help us produce service leaders in the communities we serve.

## ■ Gift-Planning Options

### 1. Outright Gift of Cash or Appreciated Securities:

*These gifts assure maximum benefit to Kettering College and maximum immediate income tax deduction for you, based on current fair market value.*

For gifts of cash, you qualify for an income tax deduction equal to the full value of your gift. This deduction can be claimed for an amount of up to 50 percent of your adjusted gross income, with a five-year carry-over period for the excess.

For gifts of appreciated stock or mutual fund shares, you qualify for an income tax deduction equal to the current market value of the transferred assets.



This deduction can be claimed for an amount up to 30 percent of your adjusted gross income, with a five-year carry-over period for the excess. By transferring these assets directly to the college, you also avoid paying capital gains tax. For most donors, this *double tax* savings can make a gift of appreciated securities the most cost-effective gift option available.

**2. A Two-to Five-Year Pledge of Cash or Appreciated Securities:**

*These gifts allow you to maximize your commitment to make a more valuable gift to Kettering College by spreading your gift over several years.*

For example, a \$100,000 gift might be made with a written pledge of \$50,000 a year for two years, or \$20,000 a year for five years.

**3. Outright Gift of Real Estate:**

*Give land or home to support your campaign interests.*

Most real estate held for a length of time has appreciated in value and offers great potential for charitable planning.

As with appreciated stock, for gifts of appreciated real estate, you qualify for an income tax deduction equal to the current appraised value of the property. This deduction can be claimed for an amount up to 30 percent of your adjusted gross income in the year of the gift, with a five-year carry-over for the excess. By transferring real estate directly to the college you also avoid paying capital gains tax, if applicable. We would be happy to help you explore a gift of a home, vacation property, commercial property, or undeveloped property in support of the campaign. The college, through the Kettering Medical Center Foundation will consider marketability and potential environment liability in evaluating gifts of real estate. All gifts of real estate are subject to approval and must be accompanied by a qualified appraisal.



#### **4. Charitable Bequest in a Will or Trust:**

*These gifts enable you to retain total control of your assets during your lifetime.*

A valid will or trust allows you to determine the distribution of your assets upon your death. For many Kettering College alumni and friends, a commitment to include the college in a revocable will or trust is the most effective way to make a major gift commitment. Whether providing for a spouse, children, grandchildren or charitable organization, your will should be prepared with the help of an attorney. *Deferred gifts in wills or trusts should incorporate our full legal title, **Kettering College of Medical Arts, a Division of Kettering Medical Center.***

#### **5. Gift With Retained Right to Receive Income:**

*Life income gifts have been compared to giving an apple tree while keeping part of the yearly harvest for yourself or others.*

A *life income gift* is one in which you contribute assets to Kettering College while retaining the right to receive an income. One of the key benefits is the immediate bypass of capital gains tax, allowing the full value of the asset to generate income for you or others and eventually support the mission of the college.

Life income gifts can be structured to fit a variety of needs, including a choice of a fixed income or a market-sensitive income. The two main types of life income gift are *charitable remainder trusts* and *charitable gift annuities*. Each has a slightly different use and tax result.



### Charitable Remainder Trust

A charitable remainder trust is created when you place assets into an irrevocable trust and name a trustee. The trust invests the assets and agrees to pay an income to you or other beneficiaries you select for life or for a set term of years. When the trust ends, the remaining assets are used for the purpose(s) you designate. There are two types of charitable remainder trusts that may assist you with your planning:

*Charitable remainder annuity trusts* provide a lifetime or term income that is a fixed annuity, based on a percentage of the initial value of the trust assets. The annuity trust is most often used when your primary goal is fixed income.

*Charitable remainder unitrusts* provide a lifetime or term income that is a percentage of the trust's corpus, which is revalued annually. Income payments vary with the changing value of the trust. This trust provides a hedge against inflation as income payments may increase over time.

### Charitable Gift Annuity

The charitable gift annuity is not a trust, but is a contract between you and Kettering College. In exchange for your irrevocable gift of cash or appreciated assets, the Foundation agrees to pay a fixed sum each year for life to one or two annuitants named by you. Gift annuity payments are based upon the initial market value of the assets contributed and the ages of the income beneficiaries at the time of the gift. The older the beneficiaries, the greater the fixed amount the college, through the auspices of the Kettering Medical Center Foundation, will agree to pay. When the gift annuity ends the remaining assets are used for the purpose(s) you designate.



## **6. Designation of the Foundation as Beneficiary of an IRA, Retirement Plan, Pension Benefits, or Annuity:**

*This opportunity allows you to bypass potential estate and income tax but is subject to current Federal tax registration.*

In many cases, these assets will have significant value upon a donor's death. The retirement plan can be assigned to the college by naming **Kettering College of Medical Arts** as the successor or beneficiary of the plan. In most cases, these assets would otherwise be severely diminished for heirs by both estate and income tax; a gift to the college can bypass both of those tax liabilities.

These plans typically have a plan administrator who can be contacted for change of beneficiary forms. As in all other legal documents, the change in beneficiary form should specify **Kettering College of Medical Arts, a Division of Kettering Medical Center**. Although the tax advantages can be quite significant, this type of gift requires careful planning; consult with our planned gifts officer at the Kettering Medical Center Foundation staff and your own professional advisors.

## **7. Gift of Life Insurance:**

*You may convert existing or new policies into a charitable gift.*

Gifts of life insurance may be made to the college with either an existing policy or a new policy. Consult with our planned gifts officer at Kettering Medical Center Foundation for details.

## **8. Creative Combinations:**

*Combine strategies to fit your circumstances.*

You can make a gift to support Kettering College using any of the above options or combine the options in creative ways to fit your unique goals and charitable intentions.

*For more information, contact:*

Director of College Advancement  
and Alumni Relations  
Kettering College of Medical Arts  
Telephone: 937-395-8607  
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Director of Major and Planned Gifts  
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## Recognizing Your Generosity

We welcome campaign gifts of all types and sizes. To meet the college's most immediate needs, however, our priority is to generate outright gifts and gifts that will be made available for the college's use in the near term. Recognition for deferred campaign gifts is offered in accordance with our goal of securing approximately two-thirds of the campaign's dollar goal in outright gifts, and one-third via deferred gifts, such as bequests, trusts, life-income gifts, and other deferred giving instruments.

Donors over fifty years of age will have their entire deferred commitments honored in the campaign recognition program.

For more information about our donor recognition program, contact the director of college advancement or the director of major and planned gifts at the Kettering Medical Center Foundation. The Foundation staff will be eager to help you and your advisor find answers to your charitable giving questions and interests.

*The information in this publication is a general introduction to various gift planning instruments; we do not intend this to be a comprehensive guide to tax and financial consequences. You should always consult with your own professional advisors before making specific plans and remember that all Federal tax-related information is subject to current legislation.*



*"Setting the pace in health sciences education is an ongoing commitment we have made to the Greater Dayton community. We cannot provide the competent health care workers of the highest character our communities so desperately need without your partnership and support."*

**Frank J. Perez, FACHE**  
**Chair, Board of Directors**  
**Kettering College of Medical Arts**  
**President and Chief Executive Officer**  
**Kettering Medical Center Network**