



XAVERIAN BROTHERS HIGH SCHOOL

GUIDE TO PLANNED GIVING



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WHAT IS YOUR LEGACY?

The task of ensuring Xaverian's future rests with those who invest in the school with a vision for tomorrow. Planned giving is a way to leave a lasting legacy of support for the school. There are many vehicles to make a planned gift, all of which provide their own opportunities and advantages for you and Xaverian.

Getting Started

There are many planned gifts that won't affect your existing financial resources, but will have a significant impact on Xaverian. Give to the institution you care so much about, while maintaining control and flexibility.

Why Give?

- 1. Support our Mission:** Xaverian Brothers High School, a Catholic college-preparatory school for boys, cherishes its identity as a Xaverian Brothers Sponsored School. Drawing on the traditions of the past, living in the strength of the present and preparing for the needs of the future, Xaverian Brothers High School is a community of faith and learning that is committed to developing the integration of spiritual, moral, intellectual, physical, emotional, cultural, and social dimensions within each young man.

Through participation in academic, extracurricular, athletic, and campus ministry programs, a Xaverian graduate will be prepared to meet the demands of higher education, to contribute to society, and to answer the call of Christian service.

Xaverian is embarking on an exciting time in our history; a history which spans eight decades and two campuses – the original site of Mission High School in Roxbury and our present location in Westwood, which we have called home for more than fifty years. Our history and traditions have only grown richer over time, while our mission continues to look ahead with great momentum and vision. Xaverian's success can be attributed to the enthusiastic dedication of the Xaverian Brothers and faculty, as well as the generous support of alumni, parents and friends.

As we continue to look to our future, and as you plan yours, please remember Xaverian. With these webpages, it is our goal to keep you informed about the planned giving opportunities available to you as we look for new ways to support the dream of our founding Principal, Brother Marcellus, C.F.X. Together, we can find the perfect match for our dreams and plans together.

- 2. How Your Gift Helps:** Planned gifts secure the future of Xaverian. Making such a gift now ensures that future Xaverian students will have the same opportunities to succeed as do our current students. It's an investment that goes a long way.

A planned gift made to Xaverian, like most other gifts, can be restricted or unrestricted. Because of the uncertainty of the school's future needs, donors often make their bequests unrestricted, in order to allow Xaverian to utilize the funds where they are most needed.

Xaverian was founded on the belief that any student should be able to attend Xaverian. By making a planned gift, you are proactively planning for future students and their success.

3. **Benefits of Giving:** In addition to supporting the mission of Xaverian, a planned gift can provide to you substantial tax advantages, especially on gifts of stocks and real estate. The total income, estate, and capital gains tax savings and the probate expense savings can come close to the amount transferred. The benefits include:

- An Income Tax Deductions
- Reduced Capital Gains Taxes
- Reduced Probate Costs and Estate Taxes
- Income for Life

Simply by taking advantage of incentives the IRS provides, you and your advisor can craft a gift that fits your needs, as well as the needs of Xaverian. Even with the increased standard deduction in the tax law that became effective January 1, 2018, an immediate income tax charitable deduction resulting from a planned gift may lead to itemizing deductions and greater tax savings. A planned gift makes it possible for you, your loved ones, and Xaverian to all benefit.

4. **The Brother Marcellus Society:** The Brother Marcellus Society is named for the first Principal of Xaverian Brothers High School, honoring a man whose life as a Xaverian Brother demonstrated his commitment to educational excellence in the Catholic tradition.

The Society is composed of individuals and families who have included Xaverian in their estate plans or have named Xaverian as a beneficiary in a charitable gift arrangement.

If you have already named Xaverian a beneficiary in your plans, we again welcome you to the Brother Marcellus Society. As a member of the Society, you exemplify exceptional commitment to, and faith in, Xaverian that will have a direct impact on generations of future Xaverian students.

CREATE YOUR LEGACY

Legacy gifts provide the foundation for Xaverian Brothers High School's work. These gifts allow you to take care of your family, provide for gifts to loved ones, and include a charitable gift for Xaverian Brothers High School. We can help you find the best way to make your gift, and perhaps help you to make a larger gift than you thought possible.

- 1. Estate Planning:** While estate planning can entail difficult choices, but once your plan is in place, it provides a sense of relief and peace of mind. You'll know that you have done your best to plan and provide for yourself and for loved ones, as well as for the causes you've cared about during your lifetime.

What comes to mind when you hear the term "estate planning?"

If you're like many people, you know it has something to do with having a will. You'd also be correct if you said it involves making certain other types of arrangements affecting what happens once your life has ended.

A good estate plan goes further and addresses many aspects of your current situation, as well as how to thrive in the years to come. Consider this definition:

Estate planning is the process of caring for yourself and your assets while you are living, and planning for the orderly transfer of assets to other persons and organizations— both during your life and afterwards.

Why do estate planning? When you do, you can:

- Ensure the wealth you have accumulated over your lifetime goes exactly where you want it to go and when. If you don't have a will or living trust, the state will impose a distribution plan for you, which may or may not match your wishes.
- Give directions to be followed in case you become incapacitated and can't make decisions for yourself.
- Organize your affairs and designate who will handle them when you are gone.
- Appoint a guardian for any minor-aged children.
- Provide for any special needs your loved ones may have.
- Minimize possible estate taxes and probate fees.
- Specify the type of funeral arrangements you would like.
- Remember and provide for friends, pets, and organizations you care about but are never a part of the default state distribution scheme.

By planning, you also make things easier for your family. If something happens to you, it will already be a very difficult time for your family and other loved ones. How wonderful it will be if they know exactly what you want to have happen and have the means at hand to follow your wishes. Consider the planning you do now to be your final future gift to your loved ones.

While estate planning can entail some difficult choices and means confronting uncomfortable issues, it does provide a sense of relief and peace of mind when it is done. You'll know that you have done your best to plan and provide for yourself and for loved ones, as well as for the causes you've cared about during your lifetime. There is great satisfaction in knowing what your legacy on earth will be.

The Key Elements of an Estate Plan

Related to your final wishes

- **Will.** A valid will is generally type written, dated, and signed by you as well as two legally competent witnesses. States differ as to the exact requirements for a valid will and whether a handwritten will, with or without witnesses, is valid. The probate court oversees administration of a valid will at death to carry out your instructions. The court charges probate fees to administer an estate and the documents and proceedings are public record.
- **Revocable Living Trust.** This replaces the will as the main document disposing of your property. You might hear it referred to as a “living trust” or “RLT.” The trust is created while you are living, and the power to change and even revoke it can be retained. Most often people serve as the trustee for their own revocable living trust. A living trust requires that you actually transfer your property into it for it to be effective. A living trust allows assets to pass to heirs outside of the probate process, potentially saving probate fees, and keeps your affairs private.
Typically, if a living trust is recommended your estate planning lawyer will also suggest a will as a backup document, to transfer any assets that weren’t included in your trust at the time of your death.
- **Beneficiary Designations.** Your will or living trust does not control distribution of assets such as your IRA, commercial annuities, and some other assets at death. Your IRA or annuity administrator will distribute these types of assets according to a beneficiary designation form on file with their office. These are the forms you fill out when you establish IRAs or other types of retirement plans, or purchase a commercial annuity or life insurance policy. This form directs the administrator as to who will receive whatever remains upon your passing. You can also request a beneficiary designation for a bank or investment account. Since your will and living trust do not apply to these important assets, these beneficiary designations can have a profound impact on how your overall estate is distributed and should be part of any coordinated plan.

Provide for physical or mental incapacity

- **Power of Attorney (POA) for financial matters.** This document grants to someone you trust the ability to act on your behalf for a variety of potential transactions and responsibilities. You decide when the POA will become effective and the extent of the authority granted. A POA is only effective during your lifetime and automatically terminates at your death.
- **Power of Attorney (POA) for health care decisions.** This document appoints someone to make decisions for you regarding medical treatment if you are not able to do so. It allows you to specify who is in charge of making critical treatment decisions and, perhaps more importantly, who does not have that authority.
- **Health Care Power of Attorney (HCPOA) for health care decisions.** This document appoints someone to make decisions for you regarding medical treatment if you are not able to make these decisions for yourself. It allows you to specify who is in charge of making critical treatment decisions and, perhaps more importantly, who does not have that authority.
- **Physician’s Order for Life Sustaining Treatment (POLST).** This document describes what health care treatment you want in case of an emergency. You work with your doctor to document your wishes regarding resuscitation and other life sustaining procedures.

Managing and distributing your wealth

You might conceive of the estate planning process as constructing a pyramid from the ground up. Primarily, you want to do what you can to ensure your own well-being. In so doing, keep in mind that it's not selfish to look out for yourself! Only by meeting your own needs now and in the future are you able to build the next level of the pyramid.

If you're fortunate enough to accomplish some important basics, you're then in a position to provide for family members and other loved ones. Thereafter, if you have the desire and the means, it becomes appropriate to think about a legacy you can leave for causes dear to you in addition to family and friends.

We hope that you will consider arranging a gift to Xaverian when you create (or update) your estate plan. We realize that we will never replace family members and other loved ones in your plans, and we wouldn't want to. Part of your planning process is to consider how much to leave to individual heirs; what remains can be used to fulfill your charitable dreams and desires.

How much to leave to children and grandchildren is a judgment call. Some parents transfer as much of their estates as possible to heirs. Others fear that transferring too much wealth may discourage productivity and undermine self-motivation. A memorable line from the movie *The Descendants* encapsulates this debate nicely: "...you [want to] give your children enough money to do something but not enough to do nothing." Still others realize that the community and world they leave to their children and grandchildren is also part of their legacy.

If you would like to support Xaverian through your will or living trust, click [here](#) for sample bequest wording you can share with your attorney. Or consider a gift by beneficiary designation also known as a "bequest substitute". It has many of the same advantages as a bequest while being among the most tax-wise ways to give.

2. Retirement Planning

It's really never too early – or too late – to do retirement planning.

On the one hand, the younger you are, the more you benefit from a longer period of time to accumulate assets and invest them, as well as think about how best to spend them once you finally retire. Even if you make some mistakes in the process or become preoccupied with other matters for a year or two, time will generally be your friend.

If, on the other hand, you'll soon be retiring or have perhaps retired already, you'll want to use the time and resources you have wisely. Still, with a few adjustments here and there, you may well be able to make your retirement years more enjoyable.

Whatever your circumstances, be sure to consult professionals with expertise in areas such as:

- investments
- taxes
- budgeting and cash management
- various types of insurance
- estate planning
- medical, social, and other services geared toward older persons

With this in mind, Xaverian offers the following list of basic points to consider. Don't forget to check out number 5 at the end of the list!

1. **Determine how you'd like to spend your retirement years.** Although many people travel, devote more attention to family and friends, increase their volunteer involvement, or concentrate on hobbies and leisure activities, you should feel free to settle on your own mix of passions and pastimes. Just remember that retirement can have several phases as you age, so allow for both the development of new interests, as well as the possible need to accommodate eventual changes in health and mobility.
2. **Try to get a good sense of what your desired lifestyle will cost.** In large measure, this will be a function not only of what you want to do, but also where you live – both the part of the country (or the world) in which you choose to settle and the nature of the four walls you'll be calling home. Recognize too that you won't necessarily live in the same place throughout retirement. Moreover, continue to budget for things that are elements of your life currently such as personal and health care expenses (Medicare won't cover all of them!), food, clothing, transportation, emergencies, and our seemingly constant companion: inflation.
3. **Save as much as you reasonably can and invest appropriately.** True, particularly if you have in mind a modest lifestyle in retirement, it's possible to "over-save." Yet people often underestimate – sometimes significantly – what their desired lifestyle will cost. Others may be quite realistic about what they will need but have difficulty putting enough aside over the years or fail to manage responsibly whatever wealth they have been able to amass. Whatever your situation, building your nest egg should be a high priority.
4. **To the extent possible, maximize the financial resources you can draw upon in retirement.** A number of options exist, among them:
 - Defined-benefit pensions – These are traditional pensions and even though fewer and fewer workers have this perk, it is quite a valuable one, as your employer covers the full cost and what you receive will usually be very reliable. Payments are fully taxable as ordinary income.
 - Defined-contribution plans – These are sponsored by employers and generally take the form of so-called qualified retirement plans, such as 401(k) and 403(b) plans, or some types of IRAs, such as SEP and SIMPLE IRAs. These plans feature limits on how much can go in each year and are typically funded with some combination of contributions made by your employer and pre-tax portions of your salary or wages. Account balances grow tax-free, but distributions are fully taxable as ordinary income.
 - Traditional IRAs – Depending on your level of income, traditional IRAs can be funded with your own pre-tax money or, less commonly, after-tax money. Traditional IRAs can also receive money "rolled over" on a tax-free basis from employer sponsored plans, such as 401(k) plans. Account balances grow tax free. When distributions from a traditional IRA are taken, they will be taxable as ordinary income in proportion to the amount of pre-tax money you contributed or rolled over.
 - Roth IRAs – These, too, are funded with your own money, specifically after-tax dollars. This means that both earnings and distributions come out tax-free. Also, whatever remains in the account grows tax free. Note: Some employers offer Roth 401(k) plans, although these are relatively rare.
 - Tax-deferred annuities – As the name suggests, after-tax money of your own that you invest in these products grows tax-free. Any increase in value beyond the amount you invested is taxable as ordinary income when distributed.
 - Individually owned savings and investment accounts, certificates of deposit, etc. – These are funded with after-tax dollars, plus whatever you earn is taxable. Some of these investments produce capital gains, which are generally taxed more favorably than interest and other sorts of ordinary income.
 - Employment – For some people, "retirement" means continuing to work a bit longer, albeit on a part-time basis. Similarly, working full time for an extra year or two can make additional assets available for use in connection with one or more of the options above.
 - Social security benefits – Despite concerns about the long-run health of the social security system

and the size of benefits one can count on, this extremely common form of retirement cash flow definitely needs to be taken into account.

- Non-financial assets – Things that save you money can be just as valuable as a stream of payments. Examples would include good health, smart purchasing, and having loved ones nearby and available to help when needed.

Regardless of the combination of options you assemble and draw upon, be sure to seek competent professional guidance, as the tax rules can be complex and subject to change and the investment challenges considerable. For instance, decisions about things such as when to begin drawing social security payments or whether to roll retirement plan assets into an IRA will require careful planning.

5. **Don't overlook ways to support Xaverian that result in retirement cash flow.** Especially if you are precluded from making additional contributions to your IRA or qualified retirement plan, a charitable life income plan can be an attractive supplement to existing arrangements. Here are some of your choices:

If you are age 70½ or older, you can make a Qualified Charitable Distribution (QCD), also known as a charitable IRA rollover, to Xaverian directly from your traditional or Roth IRA of up to \$100,000 per year, and the gift will not be counted in your income. Once you are 72 or older a QCD will satisfy your annual minimum required distribution and permit a tax-free gift of up to \$100,000 to Xaverian. Separately, drawing on assets in an IRA or a qualified retirement plan to make current gifts to Xaverian can sometimes make sense for anyone over age 59½, although careful planning is required.

Finally, because retirement planning vehicles such as defined-contribution plans, tax-deferred annuities, and many IRAs contain income that has never been taxed, you'll want to devote attention to your beneficiary designations. Previously untaxed amounts left to family members and other individuals will be taxed when received by them but are not subject to tax when received by Xaverian. Likewise, tax savings can be combined with providing for heirs when certain retirement plan assets are used for a gift annuity or a charitable remainder trust at the end of your life.

HOW YOU CAN GIVE

1. **Find the Best Gift:** Deciding on the right gift for Xaverian can be difficult. It's vital to think about your most important personal and family goals. These could range from maximizing tax benefits, and producing income, to preserving assets for your heirs.
2. **Bequests:** A charitable gift from your estate is a favored method of giving that enables you to achieve your financial goals and benefit Xaverian Brothers High School. No other planned gift is as simple to make or as easy to change should you ever need the assets during your lifetime.

A bequest may be right for you if:

- You want to make a gift to Xaverian Brothers High School.
- You want the flexibility to change your mind.
- You want continued access to your wealth, should you need it.
- You are concerned about outliving your resources.

Bequest Language for Donors

The following is intended to help you and your attorney in drafting a bequest that satisfies your individual interests. As you consult your attorney on the selection of appropriate wording to reflect your own goals and intentions regarding Xaverian Brothers High School, be sure our organization's correct legal name appears in all final documents as:

"Xaverian Brothers High School, 800 Clapboardtree Street, Westwood, MA 02090, a Massachusetts nonprofit corporation, or its successor, Federal Tax Identification Number: 042314036."

A General Bequest of a stated sum of money may be worded:

"I give to Xaverian Brothers High School, 800 Clapboardtree Street, Westwood, MA 02090, a Massachusetts nonprofit corporation, or its successor, Federal Tax Identification Number 042314036 [insert here the exact dollar amount]."

A Specific Bequest of a certain asset from your estate may be worded:

"I give to Xaverian Brothers High School, 800 Clapboardtree Street, Westwood, MA 02090, a Massachusetts nonprofit corporation, or its successor, Federal Tax Identification Number 042314036, [insert here a description of the particular property]."

A Residuary Bequest, after other bequests and expenses have been paid, may be worded:

"I give to Xaverian Brothers High School, 800 Clapboardtree Street, Westwood, MA 02090, a Massachusetts nonprofit corporation, or its successor, Federal Tax Identification Number 042314036, all [or a portion] of the rest, residue and remainder of my estate."

A Contingent Bequest if the person making the will is not survived by certain individuals:

"If [name/s of primary beneficiary/ies] do/es not survive me, or shall die within ninety (90) days from the

date of my death, or as a result of a common disaster, then I give to Xaverian Brothers High School, 800 Clapboardtree Street, Westwood, MA 02090, a Massachusetts nonprofit corporation, or its successor, Federal Tax Identification Number 042314036, [insert here the exact dollar amount, description of property, or percentage of residual estate].”

3. Beneficiary Designation

A beneficiary designation is one of the simplest ways to make a gift to Xaverian Brothers High School. It's literally as easy as filling out a form.

You can specify the individuals and charities you want to support and you can also specify the percentage of the assets you want each beneficiary to receive.

Beneficiary designations are available when giving the following assets:

Retirement Assets

An alternative to a bequest gift is to designate the Xaverian Brothers High School as the beneficiary of your retirement assets. This gift is simple because you can control the transfer of these assets at your death without changing your will or living trust. All you need to do is request (and complete) a new beneficiary designation form from your plan administrator. There is no need to modify your will or living trust.

A gift of retirement assets has the added advantage of being among the most tax-wise ways to make an estate gift. This is because your retirement assets, if left to individuals, will be subject to income tax when they receive distributions and, in the case of most non-spouses, those distributions must take place within 10 years, potentially pushing designated beneficiaries into higher tax brackets. With a gift to a non-profit such as Xaverian, 100 percent of the funds are available for its charitable purposes. If you want to remember us in your estate plan, it is often better to leave other types of assets – cash, securities, real estate – to your heirs and give the more heavily taxed retirement asset to Xaverian Brothers High School.

Life Insurance

Life Insurance policies can also be used to make a gift to the Xaverian. Complete and return to the insurance company a form designating that the Xaverian Brothers High School receives all or a portion of the death benefit associated with your life insurance policy. As an alternative to naming the Xaverian as the beneficiary, you can transfer ownership of the policy. Transferring ownership results in an immediate income tax charitable deduction and potential income tax savings in the year of the gift.

Other Assets

Commercial Annuity Contracts - a commercial annuity will sometimes have a remaining value at the end of the annuitant's lifetime. You can name the Xaverian to receive all or part of this amount by designating it as a beneficiary (sole or partial) on the appropriate form from the insurance company.

Bank Accounts - you can instruct your bank to pay Xaverian all or a portion of what remains in a checking or savings account. Your bank can provide you with the appropriate beneficiary designation form.

Investment Accounts - you can instruct your investment company to transfer to the Xaverian some or all investments held in the account at the time of your passing. Your broker or agent can let you know the process for doing this – it may be as simple as adding “T.O.D. to Xaverian Brothers High School” after your name on the account.

4. Retained Life Estates

Your home is one of your most valuable assets. With a retained life estate, you can give your home to us now,

but continue to live in it for as long as you wish.

Make a greater gift than you might have thought possible and receive immediate tax benefits without changing your living situation.

A retained life estate may be right for you if:

- You want to continue to live in your home.
- You do not plan to pass on your home to family or other heirs.
- You itemize your income tax deductions and want to save on income taxes now.

A retained life estate is an irrevocable arrangement between you and Xaverian Brothers High School. You deed your home to us in exchange for an agreement that gives you the right to live in your home for as long as you choose, even for the rest of your life. When your retained life estate arrangement ends, your home becomes our property to use or sell. Typically, we will sell your home and use the proceeds.

Irrevocable gift

A retained life estate is an irrevocable arrangement. Once you deed your home to Xaverian Brothers High School, you cannot change your mind and get your ownership back. This requirement assures that the value of your home will go to support Xaverian.

Give your home, second home, or farm

Most donors create retained life estate arrangements using their home. It is also possible to create a retained life estate with a second home or any other structure that functions as your residence, such as a boat. You may also create a retained life estate with a farm, including raw farm land.

Your responsibilities

You will be responsible for all regular expenses on your property while you live in it. These expenses include routine maintenance, property taxes, utility bills, and insurance.

Tax benefits

You will receive an income tax charitable deduction in the year of your gift. The amount of the deduction will depend on the value of your home and how long your plan will last. If you itemize instead of taking the standard deduction you could save significant income taxes. If you cannot use your entire deduction in the year of your gift, you may carry forward all unused deduction for up to five additional years if you are eligible to itemize in each of those years. By removing your home from your estate, you may also reduce estate taxes and probate costs when your estate is settled if your estate exceeds the then applicable estate tax credit.

How long can my plan last?

You most likely will want to retain the right to live in your home for the rest of your life, or for the lives of you and your spouse. Other possible terms include more than two lives, a specific number of years, or a combination of lives and years.

Ending your plan early

If you decide you no longer want to live in your home for any reason, you can end your retained life estate early either by giving your remaining interest to Xaverian Brothers High School or by selling your property in cooperation with us.

Special considerations

Giving your home to our organization requires some extra steps of which you should be aware. These steps include the following:

- You will need to establish the value of your property by obtaining a qualified appraisal.
- We will need to examine your property and conduct our own analysis of its value. For example, we will want to know if there are any debts, taxes, or liens owed on your property.
- Once we accept your gift of real estate, we could become responsible for cleaning up any environmental problems your property may have. This sort of cleanup could be very expensive. Therefore, before we accept any gift of real estate, we routinely conduct a review to make sure the property has no environmental issues.

EXAMPLE

Charles and Mirna Henderson, ages 78 and 77, still live in the house in which they raised their three children. Charles and Mirna are in good health and have no plans to move. Their house has appreciated greatly over the years and is now worth about \$600,000. Their children are grown with homes of their own and have no interest in keeping the house in the family.

Charles and Mirna would like to make a large gift to Xaverian Brothers High School, but they don't feel comfortable giving a significant portion of their investment assets away. They are excited to learn that they can give their house instead while continuing to live in it for as long as they wish. Their lifestyle won't change at all as a result of their arrangement. They also are attracted by the income tax charitable deduction of about \$507,536* that they can use immediately to reduce their income taxes if they itemize their income tax deductions.

Benefits:

- Charles and Mirna can continue to live in their home for the rest of their lives.
- They receive an immediate income tax charitable deduction of about \$507,536*.
- They may deduct up to 30% of their adjusted gross income in the year of the gift. If they cannot use their entire deduction in the year of their gift, they may carry forward the balance for up to five additional years.
- They will provide major support to Xaverian, currently worth \$600,000.
- Their home is no longer in their estate, potentially saving estate taxes.

*Charles and Mirna's income tax charitable deduction may vary depending on the timing of their gift. Their ability to benefit from an income tax charitable deduction will depend on their ability to itemize their income tax charitable deductions. You want to make a significant gift to Xaverian Brothers High School.

5. Bargain Sale

Receive immediate cash and make a gift to Xaverian Brothers High School by selling to us a valuable asset, such as real estate, for less than it is worth.

- A bargain sale may be right for you if:
- You want additional cash now.
- You itemize your deductions and want to save income taxes.
- You want to save capital gains tax on the sale of your property.
- You own a valuable asset that you are willing to sell for less than it is worth.
- You want to make a gift to Xaverian.

How It Works:

- You sell real estate or other property to Xaverian Brothers High School for less than it is worth.
- You receive immediate cash equal to your sale price. Your property becomes ours to use or sell.

WHAT YOU CAN GIVE

1. **Cash:** One of the most common ways to make a gift to Xaverian Brothers High School is to write a check, make a gift using a credit card, or donate online.

NEW LAW: Special rule for contributions in 2020 only!

For cash contributions you make in 2020, you are allowed to deduct up to 100% of your adjusted gross income. And, even if you do not itemize your deductions in 2020, you still can reduce your taxable income by up to \$300 to offset cash contributions. Learn more about the CARES Act.

Some of the most common ways to make a gift to Xaverian Brothers High School are to write a check, make a gift using a credit card, or donate online.

A gift of cash could be right for you if:

- You want the easiest way to donate to Xaverian.
- You want the largest possible income tax charitable deduction for your gift.
- You would like to make the gift to Xaverian that has the greatest immediate impact.

How it works

You make a gift of cash directly to Xaverian and you receive an immediate income tax charitable deduction.

What is an outright gift of cash?

An outright gift of cash is when you transfer funds to Xaverian Brothers High School and get nothing of financial value in return. The most common way for donors to make an outright gift is to write a check payable to Xaverian Brothers High School.

Gift provides immediate support

Unlike some other gift arrangements, your outright gift will provide resources that Xaverian can put to immediate use. If you prefer to restrict our use of your gift in any way, please contact us so that we can be sure that we can carry out your wishes.

Maximum tax savings

You may deduct the full amount of your donation up to 60% of your adjusted gross income, providing tax savings if you itemize. You may carry forward all of your unused deduction for up to five additional years.

Ways to give cash

Most donors make an outright gift by writing a check payable to Xaverian Brothers High School and mailing it to us. You may also make a cash gift using your credit card.

EXAMPLE

Charles Peterson would like to make an immediate \$15,000 gift to Xaverian Brothers High School. Charles could write a check for this amount and earn a charitable deduction equal to \$15,000. Alternatively, Charles could make a gift using his credit card by calling us on the phone, responding to a mailing, or by donating online through our website. Gifts of checks and gifts made via credit cards are considered cash gifts.

Benefits

- Charles may deduct up to 60% of his adjusted gross income for her gift of cash, providing tax savings if he itemizes.
- If Charles itemizes deductions but cannot use the entire deduction in the year of gift, he may carry the balance forward for up to five additional years.
- Assuming Charles itemizes deductions and can use his entire income tax charitable deduction of \$15,000, he will save him \$5,550 (37% tax).
- Charles will gain the satisfaction of making a \$15,000 gift to Xaverian.

2. **Stocks & Bonds:** Make a gift of publicly-traded securities to Xaverian Brothers High School and potentially save income tax and capital gains tax, too.

A gift of publicly-traded securities could be right for you if:

- You own publicly-traded securities that you have owned for at least one year.
- Some of these securities have increased in value since you bought them.
- Some of these securities may provide you with little or no income.
- You would like to make a gift to Xaverian Brothers High School.

How it works

- You transfer shares of one or more publicly-traded securities, such as stock, bonds, and mutual funds to Xaverian.
- The two most common ways to give publicly-traded securities are to make an outright gift of your securities or to make a gift of your securities and receive payments for life.

What are publicly-traded securities?

Publicly-traded securities are stocks, bonds, and other investment vehicles whose values are readily available from an established securities market. For example, stocks listed on the New York or NASDAQ stock exchanges are publicly-traded securities.

Are mutual fund shares publicly-traded securities?

Although mutual funds are sold by individual mutual fund companies rather than on an exchange, the same charitable contribution rules apply to mutual fund shares as to shares of publicly-traded securities. Gifts of mutual funds have the same tax benefits as gifts of individual securities.

Tax benefits of contributing publicly-traded securities

You can save income tax and capital gains tax when you give shares of a publicly-traded security that you have owned for a year or more.

Income tax benefit

If you have held your securities for more than one year, and provided you itemize, you may deduct from your taxable income the full fair market value of your shares as of the date of your donation, regardless of what you paid for them. Your deduction is limited to 30% of your adjusted gross income. You may, however, carry forward any unused portion of your deduction for up to five additional years.

Capital gains tax benefit

When you donate publicly-traded securities that have increased in value, and you have owned the securities for more than one year, you do not have to report any of your capital gain in the securities. If you were to sell these securities yourself, you would owe capital gains tax on the difference between the sale price and the amount you paid for them.

Should I give my securities or sell them and give the proceeds?

You should give your securities directly to Xaverian Brothers High School if you have held them for more than one year and they have appreciated in value. This way, you will avoid paying tax on any capital gain you have in your securities. If you sell your securities first and then give us the proceeds, you will have to pay capital gains tax on all of your capital gain, an unnecessary and potentially substantial cost to you.

What is the advantage of giving appreciated stock instead of cash?

When you make a charitable gift of cash, you get an income tax charitable deduction only. When you make a charitable gift of the same value with appreciated stock, you get the same income tax charitable deduction and you avoid capital gains tax on all of your capital gain. The more highly appreciated your security, the more capital gains tax you will avoid..

The chart below shows how making a gift with appreciated stock can save substantially more taxes than making the same size gift with cash.

Cash Gift vs. Stock Gift

	Cash Gift	Stock Gift
a. Gift Value	\$10,000	\$10,000
b. Income tax deduction	\$10,000	\$10,000
c. Income tax saved (at 37% rate)*	\$3,700	\$3,700
d. Purchase price	-	\$1,000
e. Increase in value (a - d)	-	\$9,000
f. Tax avoided on gain (at 20% rate)	-	\$1,800
g. Total tax savings (c + f)*	\$3,700	\$5,500

*assumes donor itemized deductions

Should I make a gift of securities that have lost value?

No! If you sell securities that have lost value, you can net that capital loss against capital gains. Even if you cannot take a deduction for loss securities this year, there is a five-year carry forward. If you want to make a gift of loss securities, sell the securities and take the capital loss. You can then donate the proceeds of your sale to Xaverian Brothers High School and use the capital loss to offset future capital gain.

What happens if I give securities that I bought less than one year ago?

The charitable deduction available for property you have owned for 12 months or less, so-called “short-term capital gain” property, is limited to either its current full value or what you paid for it, whichever is less. In this case, your deduction is limited to 60% of your adjusted gross income rather than the usual 30%. For example,

if you give stock worth \$10,000 that you purchased nine months ago for \$1,000, your charitable deduction will be \$1,000, not \$10,000.

When you give short-term gain property, your deduction is limited to 60% of your adjusted gross income rather than the usual 30%.

Is it easy to make a gift of publicly-traded securities?

Yes. Whether you plan to give one share or one thousand shares, it is easy to give your publicly-traded securities to us.

Give securities and receive payments for life

Another option for giving securities is through a life income plan. Giving securities through a life income plan such as a charitable gift annuity, charitable remainder trust, or pooled income fund allows you to provide income for yourself or others you care about and then provide support to Xaverian. Here's how it works:

- You transfer securities to the life income plan.
- A gift of appreciated securities to a charitable gift annuity, charitable remainder trust, or pooled income fund will typically defer or in some cases completely avoid capital gain from your gift of securities.
- During the term of the life income plan, you receive payments from the plan each year, typically for life.
- When the life income plan ends, its remaining principal goes to support Xaverian.

Using securities to fund a life income plan typically will reduce your income taxes, providing tax savings if you itemize, and reduce or eliminate your capital gains taxes.

There are several life income plan options to choose from. The one that is right for you will depend on a variety of factors. Please let us know if you would like to learn more.

EXAMPLE

Paul Croft would like to make a \$10,000 gift to Xaverian Brothers High School. While he could write a check for this amount, he will be able to save even more in taxes by giving stock worth \$10,000 instead. After reviewing his plans with his investment advisor, he decides to give shares of Poptropica Corporation worth \$10,000. He paid just \$1,000 for these shares when he bought them 20 years ago.

Benefits

- Paul will earn an immediate income tax charitable deduction of \$10,000, which will save him \$3,700 (37% tax), provided he itemizes.
- Paul may deduct up to 30% of his adjusted gross income in the year of his gift, with a five year carry-forward period.
- He will avoid tax on \$9,000 of capital gain, which will save him an additional \$1,800 (20% tax).
- He will gain the satisfaction of making a \$10,000 gift to Xaverian Brothers High School

3. Retirement Assets

Here is a tax-smart way to make an impact to Xaverian Brothers High School using your qualified retirement plan. The IRA charitable rollover (also called the Qualified Charitable Distribution, or QCD) is a great way to make a tax-free gift to Xaverian Brothers High School and satisfy your required minimum distribution.

A gift of retirement plan assets could be right for you if:

- You have an IRA or qualified retirement plan, such as a 401(k) or 403(b).

- You do not expect to use all of your retirement plan assets during your lifetime.
- You have other assets, such as securities and real estate, that you want to pass to heirs.
- You may want to provide payments to loved ones after you are gone.
- You would like to make a bequest gift to Xaverian.

Option 1: Make a tax-free gift with an IRA charitable rollover (also called a qualified charitable distribution, or QCD.)

You can make a tax-free gift from your traditional IRA. Such a gift is known as a Qualified Charitable Distribution or QCD. (Other qualified retirement plans such as 401(k)s and 403(b)s are not eligible). You must be at least 70 ½ years old to take advantage of this opportunity. Your QCD must go directly from your IRA administrator to Xaverian. The total of all of your QCD gifts in any one year cannot exceed \$100,000 per person. A spouse with a separate IRA could also make a QCD of up to \$100,000 if they otherwise qualify.

The benefits of a QCD gift include:

- If you don't itemize and are not yet required to take your RMD, a QCD offers all of the benefits of an itemized income tax charitable deduction.
- If you are age 72 and must take your RMD, a QCD can satisfy your RMD without increasing your income taxes.
- Your gift supports the important work of Xaverian with a tax-free gift.

Option 2: Designate remaining retirement plan assets for Xaverian Brothers High School.

Another attractive option is to designate Xaverian as the recipient of some or all of what's left in your IRA, 401(k), 403(b), or other qualified plan when they end.

In addition to having the satisfaction of making a significant gift to Xaverian, your benefits include:

- Your estate is entitled to an unlimited estate tax charitable deduction for the value of your IRA donated to Xaverian if your estate exceeds the applicable exemption.
- The QCD is an income tax smart gift. The Secure Act enacted in 2020 limits prohibits stretching out distributions from an inherited IRA over the life of heirs.
- Since Xaverian is tax-exempt, a gift to Xaverian from your IRA is not subject to income taxes.
- Preservation of non-retirement plan assets for family.

Option 3: Designate remaining retirement plan assets for a life income plan.

Alternatively, you can designate that some or all of the assets remaining when your IRA, 401(k), 403(b), or other qualified plan ends be used to fund a charitable remainder trust or gift annuity arrangement that will make payments to family members or other loved ones for the rest of their lives. When the gift arrangement ends, what is left will go to Xaverian.

In addition to having the satisfaction of making a significant gift to Xaverian, your benefits include:

- A charitable trust or annuity can provide lifetime income for life since that is no longer possible after adoption of the Secure Act. That law prohibits stretching out distributions from an inherited IRA over the life of heirs.
- The gift portion of your charitable trust or annuity provides an unlimited estate tax charitable deduction if your estate is subject to estate taxes.
- Such a plan preserves non-retirement plan assets for family.

IRAs and qualified retirement plans

Retirement plan assets are a major source of wealth for many households. For example, you may have hundreds of thousands of dollars invested in your IRA, 401(k), 403(b), or other qualified retirement plan. These plans do not pay tax on the income they earn, or the capital gain realized within the account. This allows the assets to grow faster than if held and invested in these qualified plans.

The primary purpose of your retirement plan is to provide you with income during your retirement, but it can also be an excellent source of funds for making charitable gifts during your life and when your plan ends.

Withdrawals are taxed as income

With the exception of the Roth IRA, the money used to fund a qualified retirement plan, such as a traditional IRA, 401(k), or 403(b), has never been taxed. Also, earnings that occur within a qualified retirement plan are not taxed. As a consequence, withdrawals from any of these plans (except for the Roth IRA) are taxed as ordinary income. Your federal income tax alone on a withdrawal from one of these plans could be as high as 37%.

Withdrawals are required once you reach 72 years old

You must start taking withdrawals from your qualified retirement plan once you reach 72 years old. The amount you must withdraw each year is a percentage of the value of your retirement plan as of the last day of the previous year. The percentage starts below 4% for someone who is taking their first “required minimum distribution” and increases with age according to a schedule published by the IRS.

Taxes on remaining retirement assets can be very high

Your family members and other heirs will have to pay income tax on any distributions they receive from your retirement plan after you are gone. In addition, your qualified retirement plan is included in your estate, so if your estate is large enough to owe estate tax, your plan may increase the estate taxes you owe.

Federal income tax alone can be 37%. When you add federal income tax and estate tax together, they can total 62% or more. In states that assess their own taxes on estates, the total taxes on retirement plan assets paid to heirs can be over 62%.

Give retirement plan assets to Xaverian Brothers High School and save taxes

In contrast to your retirement plan assets, your estate will not owe income tax on most of its other assets in addition to estate taxes that may be due. As a result, your estate and heirs will pay lower taxes if you pass your less heavily taxed assets to your heirs, and give your retirement plan assets to charity. Paying lower taxes will mean that more assets will reach your heirs. How much more will depend on the size of your estate, where you live, the other assets you own, and the type of gift you make.

How do I pass retirement plan assets to Xaverian?

You have several good options for passing your retirement plan assets to us.

Beneficiary Designation

The simplest and most common way to give retirement plan assets is to make our organization a beneficiary of your retirement plan. All you need to do is to file a revised beneficiary designation form with your retirement plan administrator to designate our organization as a beneficiary of your plan and name the percentage of your remaining assets that you want us to receive. The retirement plan assets that you designate for us will avoid all income tax and estate tax. In order for your estate to enjoy both of these tax benefits, it is especially important that you make our organization the designated beneficiary of these retirement plan assets, not your estate. Please identify us on the form with our legal name: Xaverian Brothers High School, Inc..

Life income plan

Prior to the passage of the Secure Act in 2020, inherited IRAs could stretch out their taxable distributions over the life expectancy of your heirs. The Secure Act requires an inherited IRA to distribute all of its assets within 10 years. With the elimination of the stretch IRA, an attractive option for planning so that inherited retirement plan assets can pay income for life is to designate a charitable remainder trust or charitable gift annuity as the beneficiary of your retirement plan. Passing assets to us through a life income plan allows you to provide income to your loved ones after you are gone and then provide support to us. Such a plan strikes a balance between leaving all of your retirement plan assets to loved ones subject to significant taxation and leaving all of these assets to us and eliminating taxes on them altogether.

Here's how a life income plan works:

- Your retirement plan transfers the designated portion of its final balance to a charitable remainder trust or a charitable gift annuity.
- The heirs you have chosen receive payments from the plan each year, typically for life.
- When the life income plan ends, its remaining principal goes to support Xaverian.

Using retirement plan assets to fund a life income plan spreads out income tax and reduces estate tax on these assets, if your estate is subject to estate taxes. A typical result is to reduce total taxes on your retirement assets by more than half compared to distributing them to your heirs through your estate.

Life income plan options

There are several life income plan options to choose from. The one that is right for you will depend on a variety of factors. Please contact us if you would like to learn more about funding a life income plan with assets from your retirement plan.

EXAMPLE

Walter Smith, 75, is a retired business executive who has accumulated \$500,000 in the retirement plan that he set up through his company years ago. He takes minimum distributions from his plan in order to preserve as much tax-free growth inside the plan as he can. At this rate, he expects that his account may still be worth \$500,000 when he dies.

Walter has reached the time in his life when he has begun thinking about the legacies he wants to leave behind after he is gone. He decides to leave a bequest to Xaverian Brothers High School to create an endowed fund that will perpetuate generous support in his name. To accomplish his goals, he designates 40% of the final balance in his retirement account for Xaverian Brothers High School.

Benefits:

- There will be no income tax or estate tax on the 40% of Walter's retirement plan assets that are transferred to Xaverian.
- Assume the balance in Walter IRA when it ends is \$500,000 and he donates 40% of that balance (\$200,000) to Xaverian. If Walter were to pass the same amount to his family, that distribution would be subject to ordinary income tax. His family would owe income tax of \$74,000 (37% bracket) on the IRA assets, leaving only about \$126,000 for their own use. If Walter's estate is subject to estate tax the tax savings would be even greater since his estate would be entitled to an estate tax charitable deduction of \$200,000.
- Walter has the immediate satisfaction of knowing that he has put a gift plan in place that will keep his name alive and support Xaverian Brothers High School long after he is gone.

4. Life Insurance

A gift of life insurance that you no longer need can be an easy way for you to provide generous support to Xaverian Brothers High School.

A gift of life insurance could be right for you if:

- Your life insurance policy is paid up or has substantial cash value.
- You have no loan outstanding against the policy.
- Your family is well-provided for by other means.
- You would like to make a generous gift to Xaverian.

How it works

Option 1: You give your policy to Xaverian.

As the policy owner, Xaverian will either cash in your policy and use the proceeds, or maintain the policy until it ends and then receive its face amount. Your benefits will include:

- An immediate income tax charitable deduction for the value of your policy.
- No change in your cash flow.
- The satisfaction of making a generous gift to Xaverian.

Option 2: You designate Xaverian as a beneficiary of your policy.

When your policy ends, Xaverian will receive some or all of your policy's death benefit, as you have designated. Your benefits will include:

- The death benefit of your policy will not be included in your estate, which may save estate tax if your estate exceeds the applicable exemption amount
- No change in your cash flow
- The satisfaction of making a generous gift to Xaverian.

This option offers the additional benefit that you can change your mind about your gift at any time should circumstances in your life change.

Your life insurance may have a new purpose to serve

You may have purchased a life insurance policy years ago when you wanted to protect your family from financial hardship in case of your untimely passing. Now that your children are grown and independent, your mortgage is paid off, and you have accumulated sufficient assets in your estate to pass on to your family, you may no longer need your life insurance policy for its financial protection.

If this is your situation, consider making a gift of your life insurance policy to Xaverian Brothers High School. The value of your policy can provide generous support to our mission without affecting your cash flow.

Give a paid-up life insurance policy

A paid-up life insurance policy is a policy that will stay in force without any additional premium payments. A paid-up life insurance policy is a valuable asset and makes an excellent gift.

When you give your paid-up insurance policy to us, we will either cash in the policy immediately and use the proceeds, or maintain the policy until maturity and receive the death benefit of the policy.

Because this kind of gift is irrevocable, you will receive an income tax charitable deduction for the value of your gift at the time you transfer your policy to us, providing tax savings if you itemize. You will also remove your insurance from your estate, potentially saving estate taxes, as well.

In order to make your gift, you must assign Xaverian all ownership rights to your policy and make Xaverian the irrevocable designated beneficiary of the policy. Usually this can be accomplished by completing a simple form from your insurance provider. Be sure to identify us as: Xaverian Brothers High School, Inc., 800 Clapboardtree Street, Westwood, MA 02090, Federal Tax Identification Number fed_tax_id]

Make Xaverian a designated beneficiary of your policy

Another great way to make a gift to us with your life insurance policy is to make Xaverian a designated beneficiary of your policy. When your insurance reaches maturity, we will receive the amount or proportion you designate. You can change your designation at any time, giving you the flexibility to revise your gift for any reason.

Because your gift is revocable, you do not receive an income tax charitable deduction at the time you create the designation. Rather, your estate will receive an estate tax deduction for the amount your insurance policy distributes to us if your estate is subject to tax.

It is very easy to make Xaverian a designated beneficiary of your life insurance policy. Simply contact your insurance agent to make a change on your policy's beneficiary designation form. Be sure to identify us as: Xaverian Brothers High School, Inc., 800 Clapboardtree Street, Westwood, MA 02090, Federal Tax Identification Number: 042314036

Loan against policy will create taxable income

If you give a life insurance policy on which you have an outstanding unpaid loan, you will be considered to have sold your policy for the amount of the unpaid loan. As a result, you will have to declare a portion of the loan as taxable income. You may want to pay off your loan prior to making your gift in this case.

If you plan to designate Xaverian as a revocable beneficiary of your policy, the existence of an unpaid loan against your policy will not affect your tax picture.

A few states will not allow you to give life insurance to a charity

For your gift of life insurance to be valid, your state of residence must consider a charity to have an "insurable interest" in your policy. Most states do, but verify that this is true in your state before you make your gift.

EXAMPLE

Johnny Beckwith bought a \$250,000 life insurance policy on his own life shortly after the birth of the first of his four children. His policy has been paid-up for years and his children, who are now in their 40s and 50s, no longer need the financial protection the policy provides. The cash value of his policy is now over \$90,000, and he's paid \$75,000 in premiums.

Johnny has enjoyed a relationship of many years with Xaverian, and would like to honor their relationship with a significant gift. However, he has been reluctant to use his liquid assets to make the gift. When Johnny learns that his policy can be put to a new and productive use, he is delighted. He arranges with his insurance agent to donate his policy.

Benefits

- Johnny will earn an immediate income tax charitable deduction of approximately \$90,000, providing tax savings if he itemizes.
- His \$250,000 death benefit will not be included in his estate.
- He has the satisfaction of making a generous gift to charity_fullname without reducing his income level.

- As the policy owner, Xaverian can either cash in the policy and have over \$90,000 to work with immediately, or hold the policy and receive \$250,000 as a legacy gift from Johnny.

5. Real Estate

There are many options for donating your home, second home, commercial building, vacant land, farm, or other real estate to Xaverian Brothers High School. There may be a gift plan available that will help you achieve your charitable and financial goals.

A gift of real estate could be right for you if you have any of these goals:

- You own real estate for which you no longer want to be responsible.
- You are willing to donate your home if you can continue to live in it.
- You own real estate that you are willing to sell to us for a bargain price.
- You own real estate that you are willing to donate if you get income in return.
- You want to save income taxes.
- You want to make a generous gift to Xaverian.

How it works

Here are some common techniques for making a gift of real estate to Xaverian.

- Give your real estate now.
- Give your home now, but continue to live in it as long as you wish.
- Give your real estate now and receive payments for life.
- Give your real estate through your estate.
- Give a portion of your real estate and keep the rest.
- Sell your real estate to us for less than its appraised value.

The common techniques for making gifts of real estate are each briefly described below. We would be happy to discuss with you which technique might be best for your particular situation and goals.

Transfer your real estate to us outright

This is the simplest way for you to give Xaverian Brothers High School a piece of real estate. By giving us all rights to your real estate, you will maximize your support of Xaverian, and you will earn an immediate income tax charitable deduction equal to the full appraised value of your real estate.

Sell your real estate to us for less than its appraised value

When you sell Xaverian your real estate in a “bargain sale” arrangement, you will enjoy several benefits. You will receive an immediate cash payment equal to the sale price and an immediate income tax charitable deduction for the difference between your sale price and the appraised value of your property. You will also avoid tax on some of your capital gain in the property.

Give your home to us, but continue to live in it as long as you wish

When you give your home to Xaverian subject to a “retained life estate,” you can continue to live in your home for as long as you wish, for the rest of your life, or for the lives of you and your spouse. You will earn an immediate income tax charitable deduction for a portion of the value of your home. You also can make a retained life estate gift using a second home, farm, or any structure you use as a personal residence, such as a boat.

Give your real estate now and receive variable payments for life

Using a gift arrangement called a “flip unitrust,” you can give your real estate now and start receiving payments as soon as your real estate has been sold. Your payments will vary with the value of your flip unitrust. Payments equal to 5% or 6% of trust value are typical. You will also receive a substantial income tax

charitable deduction in the year of your gift. In addition, there will be no immediate capital gains tax on the sale of your real estate.

Give your real estate now and receive secure fixed payments for life

Using a gift arrangement called a “deferred gift annuity,” you can give your real estate now and receive payments of a fixed amount starting on the date you choose. The payment amount will depend on your age and how long after your donation payments will begin. Payments are backed by the general resources of Xaverian Brothers High School for life and may be partially tax-free. You also will receive a substantial income tax charitable deduction in the year of your gift and avoid or defer capital gains tax.

Give us a portion of your real estate holding

Rather than give us all of your real estate holding, you can give us an “undivided interest.” For example, if you own 100 acres of farm land, you could give us 50 acres. You will receive an immediate income tax charitable deduction for the value of the portion you give. You will, of course, retain complete control of the portion of your real estate that you choose to keep.

Give your real estate through your estate

By making a gift of real estate through your estate, you will retain use of your property during your life. What’s more, you can change your gift plan whenever you wish, should your circumstances or priorities change. Putting your gift of real estate into your estate plan now will help assure that your wishes will be carried out later. You may also save estate taxes.

Special considerations when giving real estate

Giving real estate to our organization requires some extra steps of which you should be aware. These steps include the following:

- You will need to establish the value of your property by obtaining a qualified appraisal. To be valid for claiming your income tax charitable deduction, your appraisal must be conducted no more than 60 days before your donation and no later than the due date, including extensions, of your next tax return.
- We will need to examine your property and conduct our own independent analysis of its value. For example, we will want to know if there are any debts, taxes, or liens owed on your property.
- Once we accept your gift of real estate, we could become responsible for cleaning up any environmental problems your property may have. This sort of cleanup could be very expensive. Therefore, before we accept any gift of real estate, we routinely conduct a review to make sure the property has no environmental issues.

EXAMPLE

Frank Hunt owns several buildings in his hometown. While they have been a good investment for him over the years, he’s ready to stop being a landlord. His properties have grown substantially in value, so he’s concerned that he will have a big capital gains tax bill to worry about if he sells them. He would also like to show his dedication to Xaverian Brothers High School by making a major gift.

One of Frank’s buildings is appraised for \$300,000. He purchased it for \$45,000. Frank proposes that he donate it to Xaverian, which will eliminate his concern over capital gains tax. After performing our own review of the property, we confirm that the appraised value is accurate and that we have no environmental or financial concerns regarding Frank’s property.

Benefits

- Frank receives an immediate \$300,000 income tax charitable deduction.
- Frank saves \$111,000 in income tax and \$51,000 in capital gains tax.
- Frank is relieved of all responsibilities of owning the property.
- Frank gains the satisfaction of providing substantial support to Xaverian.

6. Personal Property Tax

A gift of artwork, coins, antiques, or other personal property can be an excellent way to support Xaverian.

A gift of personal property may be right for you if:

- You own artwork, antiques, or a collection of value that you no longer want.
- You own other personal property that would be useful to us.
- You want to save income taxes or capital gains taxes.
- You would like to make a gift to Xaverian.

How It Works

You give your personal property to Xaverian. Either we put your property to a use related to our mission, or we sell your property and use the proceeds.

Gifts of artwork, coins, and other collectibles

You can use artwork, coins, and other collectibles to make a generous gift to Xaverian. Depending on the property you give us, we may either keep your property and use it for our charitable purposes or sell it and use the proceeds.

Gifts of other personal property

You may own equipment, supplies, or other personal property that you no longer need and would be useful to us. Please discuss these items with us prior to your donation to determine which ones we will be able to put to productive use.

Relieve yourself of responsibility

Maintaining valuable collectibles, such as works of art or antiques, can be a big responsibility. By giving your collectible to Xaverian, you will no longer be responsible for keeping it secure, preventing its deterioration, or paying to insure it against damage or loss. If you are in this situation, consider making a gift of the item or items to us.

Tax benefits

Your gift of personal property will save you income taxes, provided you itemize, and capital gains taxes.

If we are able to use the item(s) you give us to advance our charitable purpose, you will be eligible for an immediate income tax charitable deduction equal to the full appraised value of your property. If we cannot put your property to a “related use,” or you direct us to sell your property immediately for cash, your income tax charitable deduction will be limited to the amount you paid for your property.

Whether or not we are able to put your gift property to a related use, you will avoid all potential capital gains tax on your property. If you were to sell property that is considered a collectible, you would have to pay a special 28% tax on the difference between its current value and what you paid for it, rather than the 15% tax applied to sales of securities.

You may also save estate taxes, as once you give your collectible or other personal property to Xaverian the property will no longer be part of your estate.

Appraisal requirements

You will need a qualified independent appraisal of your property in order to establish the value of your gift. If you give personal property valued at \$5,000 or more and you wish to take an income tax charitable deduction

for your gift, you will need to include this appraisal with your federal income tax return.

Consult with us before making your gift

It is important that you discuss with us the personal property you are considering for donation before you make your gift. We want to be sure that we can accept the property you have in mind.

Also, we will want to discuss with you what will happen to your property once we receive it. We want to be sure we will be able to carry out your wishes. This discussion will also help you anticipate the likely tax benefits of your gift.

EXAMPLE

Donald Oliver has been an avid stamp collector since he was a kid. His collection was appraised for insurance purposes last year at \$20,000. Donald paid only about \$2,000 for his stamps.

Donald is in his 80s now and is no longer adding to his collection. None of his children has expressed an interest in taking it over. A devoted supporter of Xaverian Brothers High School for many years, he wonders whether we could make good use of his collection.

After a discussion with Donald and his advisors, we determine that it would be best for Xaverian to sell the stamp collection and use the proceeds. Donald is pleased that the value of his stamps will help support our organization and that the stamps themselves will wind up in the collections of others who will enjoy them as much as he has.

Because Xaverian will sell the stamps and use the proceeds, Donald will be able to deduct from his income taxes only the \$2,000 he paid for the stamps. Donald understands this and is anxious to proceed with his gift, knowing that it will provide valuable support to Xaverian, as well as settle what is to become of his beloved stamp collection.

For Advisors

If you are advising a client who is considering a planned gift or bequest to Xaverian Brothers High School, we welcome the opportunity to work with you in helping your client. Please use the below resources and tools and feel free to contact us any time for further information or assistance on a confidential basis.

Here is some basic information about our organization:

Legal Name

All charitable gifts should be directed to “Xaverian Brothers High School, 800 Clapboardtree Street, Westwood, MA 02090, a Massachusetts 501(c)(3) tax-exempt, charitable organization, or its successor, Federal Tax Identification Number: 042314036.”

Tax I.D. Number

Xaverian Brothers High School’s Tax ID number is 042314036.

Consistent with safeguarding its own interests, Xaverian Brothers High School tries to make arranging a gift for the organization’s benefit as easy as possible, and we strive to honor the intentions of all our donors. Accordingly, we hope the following will prove helpful:

If one of your clients arranges an estate gift for the benefit of Xaverian, we would very much appreciate knowing about the gift, both so we can express our sincere gratitude and – as noted above – so we can make sure we will be able to fulfill the donor’s wishes.

Of course, we respect the fact that in some cases donors prefer to remain anonymous. If you are willing to serve as an intermediary, a client of yours can share information about his or her plans without divulging his or her identity.

Finally, we want to be of assistance to you in any way we can, whether you are simply looking for general information about charitable giving, considering particular options on behalf of a particular client, or needing our cooperation in the administration of a bequest or other type of planned gift.

Contact our planned giving office for information on gift strategies that can help you support Xaverian Brothers High School and provide significant benefits to you and your family.



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