



THE SALVATION ARMY

YOUR LEGACY MATTERS

Faith, Family and Finances



“ A cord of three strands is not quickly broken. ECCLESIASTES 4:12 ”

YOUR LOVE, YOUR LEGACY

Faith, family, finances—three words that are a reflection of your values, the very cornerstone of your legacy. They speak to why you love, whom you love and how you love.

As you contemplate the different ways you can share your love and do the most good for neighbors in need, consider the following key strategies for family wealth philanthropy. These choices will help you demonstrate your faith, protect your loved ones and extend your compassion for generations to come.

If you have any questions about these options or other ways to create your legacy of compassion, please contact us today. We would be honored to hear about your priorities and discuss which options are best suited for your philanthropic goals.

You will be enriched in every way so that you can be generous on every occasion, and through us your generosity will result in thanksgiving to God.

2 CORINTHIANS 9:11

Support the Causes Important to You With One Fund:

DONOR ADVISED FUND

At its core, a donor advised fund (DAF) is remarkably simple. It allows you to make a single donation that can benefit one or more charities through multiple grants from the DAF at different future dates, with minimal constraints on the timing of those grants.

DAFs can be highly rewarding and useful if you want to make a charitable commitment now, benefit from a current tax deduction and retain the right to “fine-tune” grant distributions or make multiple grants in the future.

You can use the Salvation Army-sponsored donor advised fund to recommend grant distributions to The Salvation Army and other qualified charities. In general, The Salvation Army DAF operates like any other DAF, but keep the following specifics in mind:

- Your initial contribution must be at least \$5,000.
- You can transfer funds from a current DAF into your Salvation Army DAF.
- You must name The Salvation Army as the beneficiary of at least 50% of your gift to the DAF.

Feel Secure About Giving Back:

CHARITABLE REMAINDER TRUST

A charitable remainder trust offers a unique opportunity to provide for your family's financial future while also benefiting the charities you care about most, such as The Salvation Army.

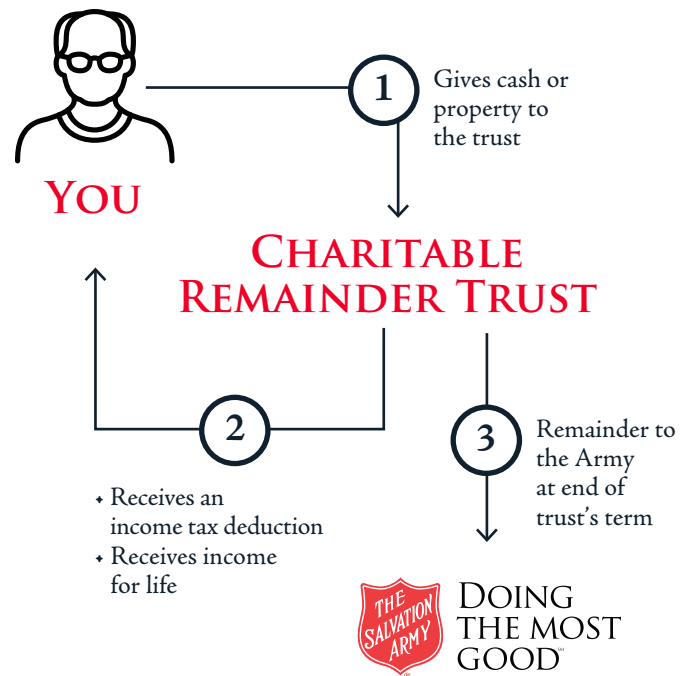
How It Works: You transfer assets to the trust and, in return, the trust will pay you (and others if you choose) either a variable or fixed dollar amount each year for the rest of your life or a term of years (up to 20). At the end of the term, the balance in the trust goes to the charities of your choice.

Funding your trust with appreciated assets like stock or real estate will escape capital gains tax when sold and the cash reinvested in a strategic investment portfolio. A testamentary charitable remainder trust can be funded with the remainder of some or all of your IRA or retirement plan to pay income for the lifetime of children or others, and not limited to 10 years.

Depending on the type of trust you choose, you may be able to make additional contributions in the future. This not only provides financial security for yourself or your loved ones but also extends

your legacy. With each contribution, you may also be eligible for a charitable income tax deduction, further enhancing your financial benefits.

A charitable remainder trust is a win-win strategy—helping you reduce taxes, provide for your family, and make a significant long term impact at The Salvation Army.





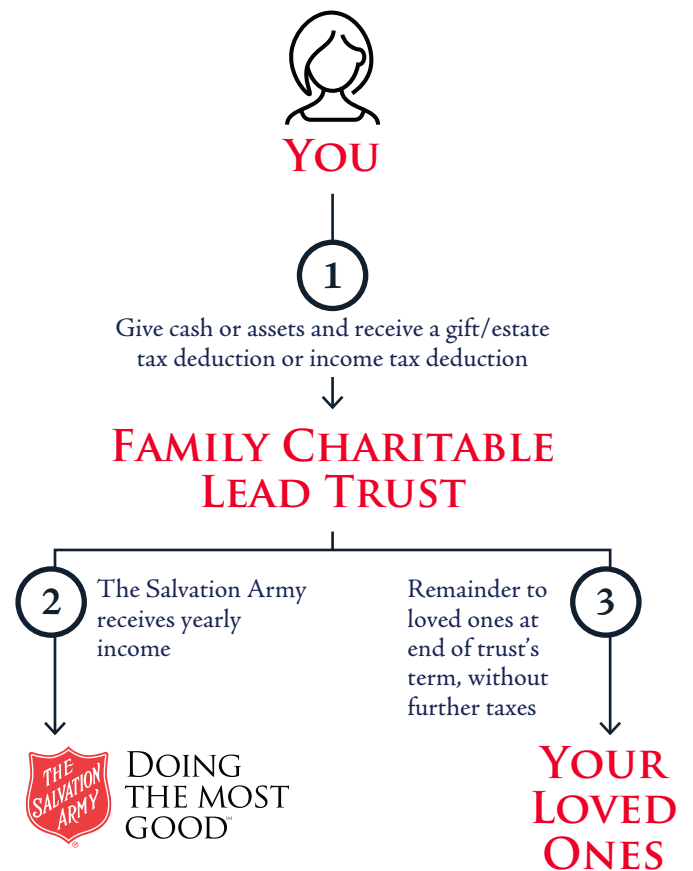
Benefit the People and Causes Close to Your Heart:

FAMILY CHARITABLE LEAD TRUST

If you're looking for a way to support causes you care about and still provide for your family in the future, a family charitable lead trust may be the right fit.

How It Works: You transfer assets to a trust and the trust makes payments to one or more of your favorite charities like The Salvation Army, over a lifetime or term of years. A longer trust term can enhance tax benefits such as reducing gift/estate tax for your heirs with a nongrantor type of lead trust. With this type of lead trust, the gift/estate tax is calculated on the current value of the assets, not their future growth. If the assets grow in value, any appreciation may be transferred to your heirs without additional gift/estate tax.

A longer trust term for a grantor type of lead trust will increase your current income tax deduction. This type of lead trust is valuable for high income years such as when you sell a business or convert to a Roth IRA. The income tax charitable deduction for this type of lead trust reduces your income tax liability. Plus grants from the trust will support charitable programs.



Make a Gift for Instant Impact:

A GIFT OF BUSINESS ASSETS

Did you know you can have an immediate impact by donating an interest in your business? This strategy can help transfer a family-owned business with lower tax exposure, provide potential retirement income and create a lasting charitable legacy.

How gifts of business assets work

1. Donate business interests to The Salvation Army.
2. We will hold the business interests and work in partnership with you and your advisors on the sale to maximize your philanthropic impact.
3. One option may be to sell the stock back to the corporation, which uses its retained earnings to purchase the shares.
4. You will owe capital gains tax if you bind The Salvation Army to sell donated stock to a third party such as a corporation or individual with a pre-arranged sale contract. Instead, we encourage offers from buyers who you recommend.

Benefits of gifts of business interests:

- Qualify for an income tax deduction
- Reduce or eliminate capital gains tax on the sale of your business stock or assets
- Receive lifetime income if your business stock or assets are used to fund a life-income gift

“

I know the difference
The Salvation Army has
made to my husband and
me, my children and my
grandchildren. This is why
I have chosen to include
a gift to The Salvation
Army in my trust. I would
encourage others to consider
a gift in their will or trust,
so that they, too, can be
a part of their legacy.”

KAREN

*A faithful, generational supporter
of The Salvation Army.*





Maximize the Value of Your Appreciated Assets: **A GIFT OF REAL ESTATE**

When you make the choice to donate real estate that you've owned for more than one year to a charitable organization such as The Salvation Army, you completely eliminate capital gains tax on the appreciation of that property.

You will also receive a charitable income tax deduction for the value of your donated property. And a gift for a charitable gift annuity or to a charitable remainder trust can pay you extra income from the sale proceeds of your donated real estate.

Benefits of unique real estate gifts:

- ✦ Farmland often generates low annual returns compared to its market value.
- ✦ Real property, such as land or a vacation home that is no longer used, has a cost of ownership.
- ✦ Older commercial buildings may be fully depreciated, costly and time-consuming to manage.
- ✦ Developed investment or commercial property, on which straight-line depreciation was taken, may provide significant capital gains tax savings.

“ We like that The Salvation Army is a Christian Church that helps deserving people in so many ways, without discrimination. ”

JOHN*

Recently donated \$1.5 million worth of farmland to The Salvation Army and created a charitable gift annuity.

*Name changed at the request of donor

Establish a Gift That Keeps on Giving: **AN ENDOWMENT**

Creating an endowment is a wonderful way to:

- ✦ Support The Salvation Army, specific program(s), Corps, or your hometown forever in perpetuity
- ✦ Qualify for an income tax charitable deduction and capital gains tax savings if stock or assets are donated
- ✦ Continue a project in your name or the name of a loved one long into the future
- ✦ You can name your endowment fund for a gift from your will, trust, retirement plan or other planned gift

How It Works: You can create an endowment to support a particular project, or sustain an ongoing program or region. Once the gift is established, we will set up the fund and pay a percentage of its annual value (or another amount you select) to the designated region or project each year.

This allows us to reinvest any additional earnings and build the fund's value over time. Because use of the fund is restricted to a small portion each year, the fund is intended to last forever.



How to Fund Your Gift

There are many ways besides cash to fund your endowment, memorial or scholarship.

Appreciated assets. Using an appreciated asset that you have owned for more than one year may allow you to eliminate the capital gains tax on the asset's appreciation.

Life insurance. Make us the owner and beneficiary of a policy you no longer need.

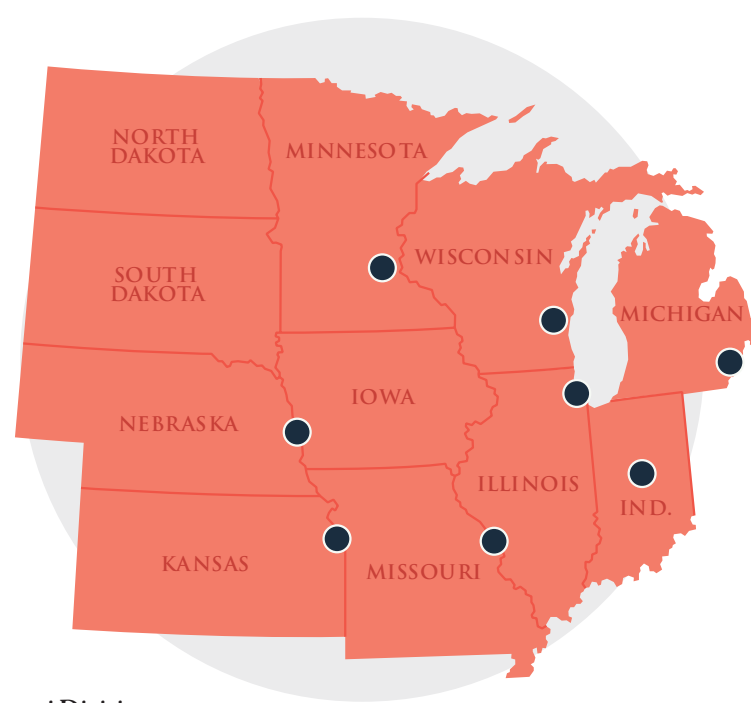
Retirement plan assets. These heavily taxed assets make an ideal gift after your lifetime to our tax-exempt organization.

Gifts that provide income. By establishing a life income gift, such as a charitable remainder trust, you can receive income for the rest of your life, and we'll receive the remaining assets after your lifetime.

Bequests. Remembering us in your will is an easy, flexible way to provide support.

CONTACT US

We are available if you have questions about your legacy options and, as always, seek the advice of your estate planning attorney and tax advisors before employing a charitable strategy.



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We feel strongly that the good work done by The Salvation Army needs to continue into the future after we are gone.”

JEAN WESTBERG

A member of The Salvation Army Twin Cities Advisory Board.



DOING
THE MOST
GOOD

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