

## *The Russell Island Foundation*



### ***“For The Road Ahead”***

Since its inception the Foundation has been effective in supporting costly projects needed to maintain and improve our quality of life on Russell Island through use of your tax-deductible dues and contributions. Examples include: Anderson Island bridge, the seawall project, ferry landing, new playground equipment, the beach and pavilion project, and the green space initiative.

To date, the Foundation has provided \$175,000 in funding, allowing the RIPOA to do what would have been impossible without help.

Additional projects will be needed or desired as we go forward. Replacement of the north portion of the park seawall is a certainty. Algonac parking remains a risky proposition. If we have to provide our own, substantial real estate purchase or lease expenses will be involved. Water and sewerage have been considered at various points in Island history. Some day they may be required.

None of this will be possible without the support of **all** Islanders. Please join us by mailing your dues today and by remembering the Foundation as you consider your charitable giving.

# *Russell Island Foundation*



*Established October 1987*

# Our Mission

- To protect the safety of the residents and visitors of Russell Island by maintaining, keeping in good repair and replacing as needed the public roads, walks and bridges on the Island.
- To aid in the formation and establishment of local policies and practices designed to conserve, restore, protect and regulate the natural resources of Russell Island, provided, however, that political activity is expressly forbidden.
- To aid in the preservation of the public areas of the Island through the control of shore erosion and other water damage.
- To construct, replace, repair and maintain facilities as and when needed for the safety of those persons using the Island park, the ferry dock and any other facilities used in common by land owners.
- To raise the level of awareness of the public about environmentally significant activities affecting Russell Island.

*For more information about the Russell Island Foundation call 313-885-8303 and ask for Barbara Bierbusse.*

## Comparison of Charitable Giving Options

**Outright gift of cash.** Simplest of all gifts to implement. Just transfer cash, write a check or fill out a credit card charge slip. Gift is fully deductible up to 50% of AGI with a 5-year carryover of any excess deduction.

**Outright Gift of Long-Term Capital Gain Property.** Also easy to implement. Just transfer possession and any document of title to charity. Gift is fully deductible up to 30% of AGI, with a 5-year carryover provision. No capital gains tax on the appreciation.

**Charitable Remainder Annuity Trust (CRAT).** CRAT receives gift and pays back to donor or other beneficiary at least 5% return on initial principal for life or for a period of up to 20 years. Can pay out tax-exempt income, but cannot receive subsequent contributions. No capital gains tax if appreciated property is used. Donor can deduct immediately the present value of charity's remainder interest, subject to the 50% or 30% limitation.

**Pooled Income Fund (PIF).** PIF pays an income to donor, proportionate to his or her share of fund earnings. Can be funded with smaller gift amounts than CRAT or CRUT, and can receive subsequent contributions. No capital gains tax if appreciated property is used, but cannot pay out tax-exempt income. Donor can deduct immediately present value of the charity's remainder interest, subject to the 50% or 30% limitation.

**Charitable Gift Annuity.** Donor transfers gift to charity and receives back a guaranteed lifetime (or joint lifetime) income. Income amount is based on age(s) of beneficiary(ies) and is partly tax-free when received. If appreciated property is given, some of the capital gain is recognized ratably over donor's life expectancy. Donor can deduct immediately the value of the income stream from the annuity, subject to the percentage limitations.

**Life Insurance.** Donor can use life insurance in many ways to make tax-wise charitable gifts. An irrevocable assignment of a life insurance policy to charity can generate an income tax deduction for the policy's cost

basis or cash surrender value, with future premiums also deductible on policies that are not paid-up. Life insurance can also be used as wealth replacement for charitable trusts and to leverage gifts with discounted premiums.

## Tax-Wise Tips for Making Charitable Gifts

**Gifts by Check.** If you write a check to charity, the gift is complete when the check is mailed. So, as long as you mail it by December 31, you can deduct it in the current year even if the charity does not cash it until the next year.

**Pledges and IOUs.** If you have made a pledge to charity in the current year or given charity your personal note, you cannot deduct this as a charitable contribution in the current year unless you actually satisfy the pledge or pay off the note before the end of the year. This is true even if your IOU is payable upon demand by the charity.

**Gifts of Appreciated Property.** Gifts of appreciated property that would result in long-term capital gain if sold generally produce even greater benefits for you than gifts made in cash, by check, or by credit card. The reason? You can generally deduct the full value of the contributed property (subject to the 30% of AGI limitation), even the gain portion that has never been taxed.

**Gifts of Loss Property.** Loss property is property that would generate a tax-deductible loss if you sold it. If you gave this property to charity you would lose your deduction for the loss in value of the property. So, sell the property, take the loss as a deduction, and use the proceeds of the sale to make your deductible charitable gift.

**Gifts of Stock.** A gift of stock to charity is considered complete, and thus deductible, when either (1) the stock certificate is endorsed over and mailed to the charity, or (2) ownership of the stock certificate is changed to the charity on the books of the corporation issuing the stock.