



The State Center Community College Foundation (SCCCF) is a non-profit 501(c)(3) that was established in 1987 to encourage philanthropic gifts that directly enhance the access to and quality of a community college education for the students and faculty of State Center Community College District (SCCCD). The SCCC includes Fresno City College, Reedley College, Madera Center, Willow International Center, Oakhurst Center, The Training Institute, and the Career and Technology Center. With an annual enrollment of 35,000 students, and more than 300 degree and certificate programs, the State Center Community

College District is a valuable community asset providing a direct impact on the economy, the workforce, and the quality of life in the Central Valley.

Over the years, the State Center Community College Foundation has managed the philanthropic gifts of alumni, their descendants, retirees, civic-minded businesses and corporations, and friends of SCCC. Donors have made gifts of cash, securities, property, and other assets to support student scholarships, faculty programs, capital projects, and some operating costs. In return, they have received not only the satisfaction of contributing to the enrichment of countless lives, but also the substantial tax, estate planning, and other financial benefits that come with thoughtfully planned philanthropy.

The purpose of this Guide to Giving is to provide a general summary of the many ways a donor can make a financial commitment to support students, faculty, or programs at SCCC. We welcome the opportunity to show you the potential benefits of making a gift and further your philanthropic objectives. As each donor's financial circumstances are unique, we strongly recommend that donors consult with their attorney, accountant, or other financial advisor on the legal and tax-related matters affecting their specific anticipated gift.

Kinds of Gifts

Current or Endowed

Donors have a choice of making a gift immediately available to the Foundation (a current gift), or having the Foundation invest the donation in perpetuity and then use the income for specified purposes (an endowed gift). Because of the costs involved in effectively managing the Foundation endowment, there is a minimum giving level for naming an endowed fund.

Restricted or Unrestricted

Philanthropic giving can meet a specific goal or interest of a donor through a restricted gift such as a scholarship or a capital campaign project, or be given to the Foundation as an unrestricted gift to be used toward the Foundation's current priorities.

Outright Gift or Pledge

An outright gift is completed immediately. The full value of the donation is given to the Foundation at the time of the transaction with no further obligation of the donor and the full tax benefits are available to the donor in the current tax year. A pledge is initiated at the time of the transaction, but completed in installments over time. Each pledge payment is deductible in the year in which it is paid.

Deferred Gift

A gift may be established, but received by the Foundation at a later date. These types of gifts include bequests by a will or living trust, life income gifts, and beneficiary designations, retirement funds or insurance policies, among others. The Foundation has planned giving experts available as a resource to interested donors.

Planning Your Philanthropy

Charitable giving can play a significant role in income, estate, and retirement planning. In addition to creating a lasting legacy for the education of SCCCD students, many of whom might never have access to a higher education without the help of the Foundation, the following ways of giving may permit donors to supplement their income in immediate or retirement planning, create additional income for a loved one, receive income and capital gain tax benefits, reduce estate taxes, and defer income until retirement.

The gift types currently approved by the Foundation Board of Directors include charitable bequests, outright gifts of personal property, outright gifts of real property, life estate agreements, charitable gift annuities, charitable remainder unitrusts, charitable remainder annuity trusts, support organizations and life insurance. The following is a brief explanation of each of the gift types listed.

Outright Gifts

The Foundation is currently in a position to receive outright cash donations. It can also receive gifts of appreciated stocks, bonds and other securities. It is able to receive gifts through credit or debit cards and/or checks. In addition to the more usual and obvious ways of giving, the Foundation is able to consider gifts of a more complicated nature.

Charitable Bequest

Most donors are able to make far larger charitable gifts as bequests at death through their will or revocable living trust. Typically, charitable bequests come from accumulated assets rather than current income.

Personal Property

The tax savings from an outright gift of personal property may be more appealing to a prospective donor than either having to find a willing buyer, or continuing to maintain the property. A donor's gift of artwork, collectibles, artifacts, library collections, automobiles, gemstones, or coins may create more goodwill in the community than if retained by the family. Such gifts also avoid the higher capital gain tax rates otherwise applicable at the time of sale.

Outright Gifts of Real Property

Many donors, particularly the elderly, appreciate the tax benefits and simplicity of making a gift of real property to the Foundation, as opposed to the task of managing or selling the property themselves.

Life Estate Agreement

Donors can receive a sizable charitable income tax deduction by making a gift to State Center Community College Foundation of their personal residence or other real estate asset while retaining full use and rights to the property during their lifetime. The donor retains a "life estate" and State Center Community College Foundation receives the "remainder interest".

Charitable Gift Annuity

Gift annuities are especially appealing to retired donors willing to make a gift of cash or marketable securities and desiring to receive guaranteed payments at rates that may exceed what they are receiving from Certificates of Deposits or other investments, while also receiving a tax deduction for a portion of the gift.

Charitable Remainder Unitrust

Many different types of valuable assets may be sold through a unitrust to provide income for life, or a period of up to 20 years, to the donor or the donor's designate. Later, when the trust terminates, the trust assets can benefit the donor's favorite program in the State Center Community College District.

Charitable Remainder Annuity Trust

Many different types of valuable assets may be sold through an annuity trust to provide income for life or a "term" of years to the donor or donor's designate. Later, when the trust terminates, the trust assets can benefit the programs of the State Center Community College District.

Support Organization

A "support organization" such as a family foundation, combines the tax benefits of a charity with features normally associated with a private foundation. It makes it possible for the donor to benefit one or more charities while retaining significant influence over the support organization's assets and the ultimate use by the charity. A "support organization" is very suitable for gifts of \$500,000 or more and is an excellent vehicle for involving family in philanthropic endeavors.

Life Insurance

The gift of a life insurance policy makes it possible for a donor to convert a modest lifetime contribution into a much larger gift of insurance proceeds at death, to the State Center Community College Foundation.

Matching Gifts

Donors often work for corporations that match their gifts, especially to educational institutions such as State Center Community College Foundation. Any donor whose gift is matched by a corporate contribution shall receive full credit for the amount of the match. Companies that provide matching gifts usually provide the employee with a form, which is completed by the Foundation office.

We hope that the friends of State Center Community College District will make an investment in our students and programs by choosing one of the many ways of giving.



Compare the Gifts

	Income Tax Effect	Estate Tax Effect	Nature of Income
Current Gift	Full value of gift is deductible	Not applicable	No income
Lead Trust	Income tax deduction for payment to SCCCf	May be able to reduce or eliminate estate and gift tax on trust asset	Income to SCCCf
Bequest	None	Estate tax deduction	None
Retirement Fund Designation	None	Estate tax deduction	None
Pooled Income Fund	SCCCf's portion is deductible	Reduces taxable estate	Actual net income of units in pool
Gift Annuity	SCCCf's portion is deductible	Reduces taxable estate	Specific percentage based on age
Unitrust	SCCCf's portion is deductible	Reduces taxable estate	Percentage of trust annual value
Annuity Trust	SCCCf's portion is deductible	Reduces taxable estate	Fixed percentage of annuity
Life Estate in Residence	Actuarial future value	Reduces taxable estate	None
Life Insurance	Varies	None	None

Minimum	Charitable Effect	What Does It Take	Benefits
No	Immediate	Transfer asset to SCCCf	Gift completed immediately
No	Immediate	Trust document and asset transfer	Asset returns to donor or other individual
No	From the estate	Make a will or add codicil	Retain control and use of asset for life
No	From the estate	Designate SCCCf as remainder beneficiary	Avoid high income and estate taxation
\$15,000	At last beneficiary's death	Gift Annuity contract and asset transfer	No capital gains on reinvestment
\$15,000	At last beneficiary's death	Gift Annuity contract and asset transfer	Income may be deferred. Portion of income is free from tax
\$100,000	At last beneficiary's death	Trust document and asset transfer vehicle	Flexible planning. No capital gains on reinvestment
\$100,000	At last beneficiary's death	Trust document and asset transfer	Fixed predictable income. No capital gains on reinvestment
No	At last life tenant's death	Deed with retained lifetime use	Live in your home (or vacation house or farm) and receive a tax deduction for the future gift
No	When policy terminates	Designate SCCCf as beneficiary	Make future gift at low/no annual cost

Tax Basics

Gifts of Cash and Unappreciated Assets

Outright gifts are deductible up to 50 percent of adjusted gross income for donors who itemize their income tax deductions. Donors unable to deduct the entire gift amount in one year may carry the unused deduction forward for up to five additional years.

Gifts of Appreciated Securities

A gift of marketable securities, such as stocks, bonds, or mutual funds which have appreciated can provide a double benefit resulting in a remarkably low after-tax cost. Donors may avoid a capital gains tax on the appreciated value of the asset, as well as a charitable income tax deduction based on the market value of the securities. On itemized tax returns, gifts of appreciated property are deductible up to 30 percent of adjusted gross income, and a donor may carry any unused portion of that deduction forward on tax returns for up to five years.

Gifts of Closely Held Stock

Closely held corporations, or those owned by family and/or business associates, are privately owned and not publicly traded, and in most cases have restrictions on the transfer of stock to a third party. Donations of closely held stocks have the same benefits as gifts of other appreciated assets. To determine the value of any potential gift, the donor must first have the stock appraised. Before incurring the expense of an appraisal, it is advisable to consult an attorney or tax advisor.

Gifts of Real Property

The tax benefits for gifts of real estate are the same as for gifts of securities. Because of the complex characteristics of real estate and its potential costs/liabilities to the donor or the Foundation, the Foundation has established special policies governing gifts of real property.

Gifts of Other Assets

The Foundation is a fully functioning non-profit organization, capable of accepting a variety of gifts. Artwork, collectibles, jewelry, and other assets may be donated, and in many cases the donor will enjoy the same favorable tax benefits as received through traditional gift giving.



How to Make a Gift of Securities

Donations of securities to the State Center Community College Foundation can be easily completed by following the steps printed here.

Instruct your stockbroker to transfer your gift of stock electronically to our account at Charles Schwab:

Charles Schwab DTC #0164 Code #40
SCCC Foundation Account #54290732

Notify the Foundation office in writing of the:

- Number of shares
- Name of company
- Your stockbroker's name and telephone number
- Purpose of your gift

State Center Community College Foundation
Attn: Executive Director
1525 E. Weldon Avenue
Fresno, CA 93704

Phone: (559) 244-5991
Fax: (559) 499-6010

Website: www.scccd.edu/foundation

Donor Recognition

Gifts to the Foundation have an impact far beyond the day the gift is given. While the names of all annual donors are listed in the annual report, the formal gift recognition programs exist as well — the Heritage Society, the Chancellor's Circle, and the Legacy Makers.

Heritage Society members have committed major resources either through a future gift in an estate, a current gift to support a project, or for an endowment that will support students and programs in perpetuity.

Chancellor's Circle members participate in a venue for communication between the leadership in our communities and the State Center Community College District. Their membership provides unrestricted funds that can be used to support the Foundation's priorities.

Legacy Makers, friends of the Foundation recognized at the highest level, have committed cumulatively \$100,000 or more to student scholarships, or district colleges, centers or programs.

The Foundation is deeply grateful for any and all gifts that benefit students and faculty, and regularly seeks ways to demonstrate that gratitude through appropriate recognition programs and activities.



Dorothy Baxter to Leave a \$50,000 Legacy

Greg Baxter, Board Member of the State Center Community College Foundation, advised his mother, Dorothy, to purchase a gift annuity. Greg recognized that the gift annuity could accomplish the goals of supporting a worthy charity and at the same time increase his mother's income.

Dorothy Baxter has a history of supporting the community with her involvement in charities and civic organizations. She was very active in the Children's

Hospital Los Niños Program which raised funds for the hospital. She was an active PTA member during the time her children were in school and joined in the fundraising for their aquatics programs. Her fondness for Fresno City College grew in part from her history of having been a student at CSU Fresno while it was on the current Fresno City College campus. She remained active in her alumni organization after graduation.

In an investing environment where fixed income securities are generating from one to two percent, gift annuities base their rates on the age of the purchaser and offer as high as 11 percent to the most senior annuitants. At Dorothy's age, the earnings on the \$50,000 annuity is 10.6 percent.

Thank You for Considering a Gift to SCCC Foundation

Philanthropy is generosity in action and requires thoughtful planning. Donors are encouraged to discuss their plans with their family, and with their accountants and attorneys as appropriate. We hope the brief details provided in this brochure serve as an informational guide to assist donors in their decision-making.

The Foundation sincerely appreciates the donors that chose to give to State Center Community College District programs, and has a variety of meaningful ways to recognize donor generosity. For more information about recognition programs, please visit our website at www.scccd.edu/foundation.

The Foundation staff is eager to assist donors with any information necessary to help with philanthropic and estate planning. We look forward to working with you.

