

# PART THREE: METHODS OF GIVING (CONTINUED)

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## 4. OUTRIGHT GIFTS

Donors who establish personal philanthropic funds in the Community Foundation during their lifetimes receive a priceless benefit: the joy of watching their philanthropic gift at work. Unless they choose to remain anonymous, their generosity will be recognized both by the beneficiaries of their support and the community as a whole.

**An outright gift accomplishes three important tax objectives:**

1. A charitable income tax deduction in the year of the gift.
2. The reduction of the gross estate for future estate tax purposes.
3. The elimination of capital gains taxes (on the increase in value over cost basis) on appreciated property.

Donors may create or add to their funds with gifts of cash, publicly traded or closely held securities, real estate, and other assets. All gifts are subject to the various limitations as to deductibility applicable to different types of gifts made to public charities.

### How Outright Gifts Work

