

Ways to Give

Named programs may be funded through several kinds of gifts, and giving opportunities can be tailored to meet the needs of the donor. Gift options include ways of increasing income, reducing or eliminating capital gains tax, reducing estate or gift taxes, and allowing for charitable income tax donations. In some cases, all of these advantages can be provided simultaneously.

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Cash

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Cash, which is usually provided in the form of a check, is the most common gift to the university. A charitable gift of cash is tax deductible if it is listed as an itemized deduction on the federal tax return. The state of Michigan also allows a state income tax credit for Michigan residents and corporations.

Securities and Real Estate

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Popular alternatives to cash are gifts of appreciated property, such as securities and real estate. Such gifts generate a double tax benefit. In addition to receiving an income tax charitable deduction for the full, fair market value of the property, the donor escapes any potential tax on the capital-gain element on the gifted property. Securities include stocks, bonds and mutual funds.

Note: To qualify for this double tax benefit, the appreciated property must have been held for more than one year.

Matching Gifts

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More than 1,000 corporations nationwide match employee gifts to Central Michigan University. Many also match the gifts of retired employees and their spouses. Companies that provide these matching funds supply the form to submit with the gift. If your employer is a matching gift company, you may obtain a form from your company's personnel or community relations office.

- ▶ [Click here to find out if your company has a matching gift policy.](#)

Life Payment Plans

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A life payment plan can allow a donor to make a substantial gift to CMU while still providing to a donor's personal financial needs. There are several types of such plans, all of which combine life payments to one or more beneficiaries designated by the donor with a gift to CMU. Generally, the payments last for the lifetime of a beneficiary; in some cases, the payments may be for a specified number of years. These plans are attractive to many donors because they offer substantial tax benefits. In addition, they may increase cash flow to the donor or other beneficiaries, depending on the asset contributed.

Bequests

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Wills offer another gift alternative. Bequests can take various forms.

- ▶ A **specific bequest** directs that CMU is to receive a specific piece of property.
- ▶ A **general bequest** directs that CMU receives a specified dollar amount.
- ▶ A **residual bequest** designates all or a portion of whatever remains after all debts, taxes, expenses and all other bequests have been satisfied.
- ▶ A **contingent bequest** takes effect only if the primary intention cannot be met.

Life Insurance

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Many, if not most, people own some form of life insurance because of its unique ability to meet a variety of needs for financial protection. As circumstances and situations change in life, many of the original reasons for purchasing life insurance are no longer in existence. Life insurance can be the direct funding medium of a gift, permitting the donor to make a substantial gift to CMU. A paid up insurance policy may be assigned to CMU or a new policy may be issued with CMU as owner and beneficiary.

Retirement Plan

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The best way to fund a charitable gift whether during life or at death is often with retirement plan assets. Donors can preserve more for both heirs and hopefully CMU by gifting retirement assets. Careful structuring of such gifts is important and should be carefully planned out, as well as all gifts, with knowledgeable advisors.

The information on this site is not intended as legal, tax or investment advice.
For such advice, please consult with your attorney, tax professional
or financial advisor.