



View from Eagle Hill over Gouldsboro Bay with the open ocean to the left, and towards Schoodic Head and Cadillac Mountain of Acadia National Park, with the mountains of Bangor to the right

Eagle Hill Charitable Giving Guide

Giving ... Strategically simplified ...

... With sound advice from Eagle Hill's own financial advisory team

Let us help you explore the different ways you can reduce your tax burden by making a charitable donation to the Eagle Hill Institute, a 501(c)(3) nonprofit corporation of the State of Maine.

As you consider your financial and estate planning strategies, we hope that you will consider the Institute. Not only can we put your gifts to good use to help maintain and expand our current programs, develop new programs, or begin a new building project, but by including us in your planning, we can help you save tax dollars through charitable deductions and avoid of capital gains taxes. Depending on your tax bracket and whether or not you itemize, you may be able to lower your tax bill, possibly significantly.

Because everyone's tax situation is unique, you should discuss your gift ideas for the Institute with your financial advisor and/or accountant.

Members of the Eagle Hill Financial Advisory Team can be very helpful when you have questions. All are alumni, faculty members, Board members, and friends of the Institute who are skilled in financial matters and who are pleased to talk discreetly with you and your financial advisor and/or accountant about your ideas and interests in Eagle Hill, and how these can be factored into your financial and estate planning. They work closely with Eagle Hill's financial consultant of Camden National Bank.

There are a number of ways of making charitable contributions to the Institute, each of which has benefits.

GIFTS OF CASH

If you itemize your taxes, you can make the simplest kind of charitable contribution and lower your income taxes with a gift of cash, dated by December 31st. This is fully deductible up to a maximum of 50% of your adjusted gross income.

GIFTS OF APPRECIATED STOCKS AND OTHER SECURITIES

If you own stocks and other securities, it is often tax-wise to donate them instead of cash. This is because a gift of appreciated stocks and other securities generally offers a two-fold tax savings. First, you avoid paying the capital gains tax on their increased value. Second, you receive an income tax deduction for their full fair market value. If you have held them for more than 12 months, you can usually deduct the gift up to 30% of your adjusted gross income.

CHARITABLE RETIREMENT ROLLOVERS

Current income tax law allows a donor who is 70½ and older to make a donation directly from their retirement plan or IRA to the Institute. The transfer will then count towards satisfying your Required Minimum Distribution for the year. While no charitable income tax deduction is available, this method of giving is popular, since a large portion of many donor's assets are tied up in such plans.

GIFTS OF REAL ESTATE AND OTHER PROPERTY

GIFTS OF REAL ESTATE ... See "NOTE" below

A gift of real estate to the Institute is another tax-wise way to reduce one's adjusted gross income. A residence, vacation home, farm, acreage, or vacant lot may have appreciated in value to the point that its sale would mean a sizeable capital gains tax. By making a gift of this property to the Institute, you may avoid capital gains tax, while receiving a charitable deduction for its full fair market value. You may choose to make a gift of real estate in such a way that you and your spouse can continue to use it for your lifetimes, while receiving an income tax deduction.

GIFTS OF WORKS OF ART

The Institute can help collectors who wish to make a gift of art and who share the vision for the construction of the Athenaeum at Eagle Hill. This will be built on the western precipice and will serve as a museum and library, and which will be open for study retreats, meetings, and special events. An outright gift or fractional gift of art allows you to receive a charitable deduction based on the fair market value of the art. A bequest allows you to continue to enjoy your art, while knowing that it will eventually have

a cherished home at Eagle Hill, and that it will reduce your estate taxes. A promised gift allows you to continue to enjoy your art, while making a commitment of a future gift to the Institute, either during your lifetime or through a bequest.

GIFTS OF OTHER PROPERTY

Gifts of other property can include everything from vehicles, to books and equipment, all of which can be useful in furthering the mission of the Institute by providing resources that will be helpful to guests at Eagle Hill.

NOTE: INSTITUTE SALES OF DONATED PROPERTY IN FURTHERANCE OF ITS MISSION

You may choose to set guidelines for the use your donation of real estate or other property. If this is not closely related to the mission of the Institute, it is generally best not to restrict the Institute's the option to sell and use the proceeds in direct furtherance of its mission. For example, proceeds from such a sale can be used to to purchase land adjacent to or near the Institute for natural history study purposes, such as the adjacent gravel pit, which alumni are hoping to restore as a nature preserve with a wildlife pond and a series demonstration gardens.

LIFE INCOME GIFTS

Life income gifts provide financial security for yourself and a loved one, a charitable income tax deduction, and estate tax savings, while at the same time helping the Institute. You and/or your beneficiary receive income for life, after which the remaining assets are transferred to the Institute. The more popular life income gift strategies are as follows.

CHARITABLE REMAINDER TRUSTS

You may choose to make a future charitable gift to the Institute by irrevocably transferring cash, stocks, or other property to a trustee who manages the investment of your assets and pays an income to you and/or your designated beneficiary. The income payments continue for your lifetime, or your beneficiary's life, or alternatively, for a term of up to 20 years, after which the assets are transferred to the Institute. A charitable remainder trust allows you to save on income, estate, and capital gains taxes.

CHARITABLE LEAD TRUSTS

A charitable lead trust offers a donor a way to make a significant gift to the Institute and at the same time maximize the inheritance they may leave to their heirs by avoiding or substantially reducing estate taxes. These trusts are most effective in a low interest rate environment. A lead trust is the opposite of a remainder trust, where the remainder goes to charity. With a lead trust, the trust pays income to the Institute for a term of years (usually 20), or for the life of the donor. When the trust terminates, the remainder of the trust passes to the designated beneficiaries or reverts back to you.

CHARITABLE GIFT ANNUITIES

A charitable gift annuity is a simple contract between a donor and a charity. The donor makes a contribution of cash or stocks and other securities, and in exchange, the charity agrees to a payment to the annuitant(s) on an annual basis (rates are generally determined by the American Council on Gift Annuities). Upon the death of the last annuitant, the remaining account balance will go to the Institute.

NOTE: There are other forms of life income gifts that may be better for your financial and estate planning strategies. Your financial adviser and/or accountant can provide you with information.

GIFTS OF LIFE INSURANCE

Life insurance provides another means of making a charitable gift to the Institute. This can be done either by naming the Institute in your current policy, naming it in a new policy, or by contributing a policy you currently own, but no longer need.

WHAT IS RIGHT FOR YOU?

We welcome and appreciate your interest in considering the Eagle Hill Institute in your financial and estate planning strategies. This Charitable Giving Guide cannot tell you everything you need to know about your options and which giving method(s) may be right for you. A member of our Eagle Hill Financial Advisory Team and Eagle Hill's registered financial planner and broker will be pleased to talk discretely with you and your financial advisor and/or accountant about your ideas. All enjoy talking about the many meaningful things the Institute does and the new program directions and building projects it is considering. Please feel free to ask questions to learn how you can make a difference by joining us in the group effort to envision what is possible at Eagle Hill as it continues to evolve, thanks to donors such as yourself.

Thank you for considering Eagle Hill Institute as part of your financial and estate planning strategies.

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