



# URANTIA ASSOCIATION INTERNATIONAL GIFT MAKER'S GUIDE

*Multiple estate  
gifting strategies for UAI support*

“THE TRUSTEESHIP OF THE WEALTH  
OF ONE PERSON FOR THE BENEFIT  
OF OTHERS IS A SOLEMN AND  
SACRED RESPONSIBILITY”

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## INTRODUCTION

The “UAI Gift Maker’s Guide” is provided to help U.S. citizens and taxpayers, UAI members, friends, and students of *The Urantia Book*, to plan and complete gifts in support of Urantia Association International Annual Fund budget program and projects, annual administrative expenses and UAI Endowment. We hope you find this information valuable when considering both current and legacy estate gifts.

UAI was founded to disseminate teachings from *The Urantia Book*, the fifth and most recent epochal Revelation to our world. UAI mission includes efforts to foster study groups to enhance comprehension of the teachings and includes worldwide attempts to connect and empower the growing number of dedicated enthusiasts. UAI seeks to train teachers to enhance greater understanding of personal relations with God and to inspire personal service to humankind. UAI seeks to train teachers for group studies, to host international and regional conferences. We work as a united team in this important mission and invite you to participate and to help in any way you are able... as a volunteer in support of the many on-going mission projects, as a study group host, as a conference volunteer and as a gift maker. Your gifts of time, talent and money empowers UAI to grow mission capabilities and to attain perpetual augmented funding through Endowment.

### **In what ways would you like to participate? Your leadership gifts are needed and are deeply appreciated.**

Many forms of donations and gifts are possible. UAI’s IRS 501(c) (3) tax exempt status allows UAI to accept gifts that can also serve the financial interests of generous supporters.

All direct contributions in all forms may be claimed as tax-deductible charitable contributions on U.S. Tax Returns.

Certain gift forms, such as highly appreciated properties, stocks, or taxable IRAs can also help the donor reduce tax liability while also providing an income tax deduction.

This Guide presents multiple estate gifting strategies and describes how the U.S. tax code applies to different forms of gifts. However, each donor’s tax and estate situation is unique and the strategies described will have different results for each individual tax return, based on tax bracket, state of residency, etc.

These strategies are basic estate planning and nothing presented here should be considered tax advice. All donors should consult their personal Certified Public Accountant or other tax professional to understand how different gift forms will affect their personal or business income tax return.

Some of the estate and planned gifting strategies will also require the help of an attorney and/or financial advisors. Each gift form offers unique benefits to the donor, based on individual circumstances, assets, taxable income, and priorities.

The UAI Fundraising Committee can address questions and give general information, but no UAI personnel are allowed to give specific tax, legal, or financial advice, due to U.S. and State Laws and Regulations.

All gift forms and strategies described are well documented and have been used for many years by millions of donors to support thousands of charities, institutions, and nonprofit organizations. All are easily researched by donors and their advisors from multiple sources, including the Internal Revenue Code. If you would like additional information and details, or if you have questions about specific gift strategies, please contact us, or have your advisors contact us.

Gifts to UAI may be designated for a specific purpose or project, based on mutual negotiation. Gifts not specifically designated are used according to the greatest need for the Annual Fund as determined by the UAI Board.



## ENDOWMENT

The UAI International Service Board (ISB) and with Representative Council approval, established UAI Endowment in 2011 to support the Annual Fund. Administrative Endowment was later approved to increase assurance of Central Office services and activities. A special purpose is the value of grant support during those low economic situations when donations typically fall short of Annual Fund needs.

Imagine your gifts helping people from many different nations to find and study the teachings from The Urantia Book! Imagine thousands of people finding new joy and benefiting from the Revelation! How would you like to help your fellows?

If you want to leave a lasting legacy gift that empowers UAI, please contact the Central Office with your ideas. Gifts may be designated with mutual negotiation and planning.

## UAI GIFT ACCEPTANCE POLICY

Lifetime experiences and opportunities vary widely with people. Many different types of assets are accrued and many are acceptable for mission program. UAI developed, with legal counsel, the "UAI Gift Acceptance Policy" to help donors and UAI to consider different gift types. Some gifts possibly may not be accepted due to high maintenance or disbursement costs.

This Policy is available to aid donors and UAI with details for transferring gifts and for determining whether proposed gifts would be appropriate for mission program and projects. The Policy informs potential donor friends of possible gift types and it describes policy for assessing the net benefits. Gifts could include cash, land, collections, stock and other assets. Potential donors are encouraged to seek legal and financial counsel and are encouraged to become familiar with this Policy in advance.

This policy, published separately and the UAI Gift Maker's Guide are available by contacting the UAI Central Office at 773-572-1180 or by email at [uaicentraloffice@urantia-uai.org](mailto:uaicentraloffice@urantia-uai.org).

The Guide and the Policy are published in simple PDF form to reduce cost, which underscores our desire to maximize donor gifts for mission program and projects.



## 1. IN-KIND GIFTING

“In-kind” simply means any gift that is not a gift of cash or by credit card. In-kind gifts may include homes, land, commercial real estate, stocks, bonds, mutual funds, etc. These types of assets often have a profit or capital gains tax obligation to the owner when sold by the owner.

An income tax on unrealized profits can be avoided if the asset is transferred (gifted) directly to UAI instead of the owner selling the asset, incurring the tax bill, and then making a cash gift. Selling highly appreciated assets can also increase the taxation of other earned income, pension or Social Security income, rental income, and interest or dividend income.

A gift “in-kind” avoids all taxation to the donor. The current market or appraised value of in-kind gifts are also still tax-deductible contributions - including the taxable profit, since the profit was gifted away and never received by the donor. This is one of the most common forms of charitable gifts - avoiding a tax while gaining a tax deduction.

The more profit there is in your property or asset, the greater the tax savings. Such gifts are executed by simply transferring the ownership of the asset to UAI. UAI can then sell the property or asset, converting the gift into cash - tax free.

### Gifts of Your Primary Residence

Some states allow a home to be gifted to a nonprofit organization while the donor retains a lifetime right of occupancy. There are also irrevocable trust strategies that also provide such a “life estate”, but the tax deduction is gained immediately.

This particular form of an in-kind gift would require the help of an experienced estate planning attorney, but can work well for the right donor circumstance.

## 2. YOUR IRA - THREE WAYS TO GIVE

For decades the IRS did not allow taxable IRAs to be donated to nonprofit organizations. This was to ensure the eventual taxation of every dollar in every IRA. But recently, this rule was changed and this new gifting opportunity of taxable IRAs provides taxpayers a powerful way to avoid taxation and support UAI. IRA owners may now name UAI as a beneficiary; and/or donate their annual required minimum distributions; and/or transfer up to \$100,000 of taxable IRA principal. This is a simple process, but requires the help of your IRA custodian.

### Beneficiary Designation

Your taxable IRA balance can be left, tax-free, to UAI by simply naming UAI as beneficiary.

### Required Minimum Distributions

Tax-free IRA distributions, when they are made directly from the IRA custodian (the custodian of your IRA is the bank, annuity company, mutual fund firm, or broker/dealer holding your IRA account) to the charity or nonprofit. The IRA owner must be age 70½ or older to qualify. The US tax code requires an annual, taxable Required Minimum Distribution (RMD) every year, beginning in the calendar year the IRA owner attains age 70½.

If the IRA owner does not need these distributions for their own support, the taxable RMD can increase the taxation of all other income, including Social Security.

It can even increase the tax bracket or effective tax rate on the tax return. A direct gift of your RMD to UAI, by the IRA custodian can significantly reduce a retiree’s income tax obligations - depending on the size of the IRA and other income amounts. The taxation of Social Security benefits is complicated, but it is determined by all other forms of reported income, and RMDs can increase the taxation of Social Security for many taxpayers.

### Gifts of IRA Principal

IRA owners, age 70 and older, may also give up to \$100,000 of their taxable IRA balance to UAI. Like the RMD gift, this gift of IRA principal must be completed by the IRA Custodian or financial institution, holding your IRA. The IRA Custodian will send the money directly to UAI and report the transfer as a “tax-free gift” rather than as a taxable distribution or withdrawal to the owner.

## 3. EMPLOYER MATCH PROGRAMS

Many US employers make corporate donations to qualifying nonprofit organizations and receive an income tax deduction. Many also offer a matching-donation program to all employees. For every dollar donated by the employee, the employer donates fifty cents to a dollar to the employee’s chosen nonprofit. The employer and the employee both receive a tax deduction. Often, employees are unaware of this offer and should consult their employee handbook or human resources department.



## 4. FUTURE & PLANNED GIFTS - ESTATE PLANNING

### Will Bequests

There are many ways to leave assets, money, property, and accounts to UAI by last will and testament. A last will and testament names beneficiaries to receive estate assets through the probate court system. While wills are generally effective in their intent, there are also serious issues to consider, and there are better ways to name beneficiaries. A will is, by definition, instructions for probate. Probate often takes months, sometimes years to complete. Probate is a matter of public record. It can be costly and it allows disgruntled heirs and/or other relatives to challenge or dispute the will. An original, legal will must be located and presented to the probate court for validation or its instructions may not be enforceable. Property (real estate like vacation homes or farms, timber, oil rights, etc.) is subject to the probate laws and courts in the state where the property is located - not necessarily the state where the owner resides. Probating this type of out-of-state property is often a tricky and arduous task.

### Beneficiary Designations

There are other ways to elect or name beneficiaries at the account or asset level which are not subject to probate and supersede the instructions of a will. The following is a list of accounts and assets that usually allow named beneficiaries.

- Life Insurance
- Annuities
- Retirement Accounts
- Bank Accounts
- Brokerage Accounts
- Mutual Funds
- Homes
- Deeded Property
- Vehicles
- Public Stock
- Closely-Held Stock
- US Savings Bonds
- US Treasuries
- Corporate Bonds
- Limited Partnership Shares

### Family Trust Gifts

Trusts are another way to own assets and property that are legal entities that name beneficiaries and avoid probate. Families with assets or properties in more than one state frequently use trusts as the legal owner to eliminate multi-state probate proceedings.

Nothing owned or received into legal trust ownership is subject to probate. However, trusts are not required for probate avoidance, as stated above, simple beneficiary designations work similarly in that regard.

### Life Insurance Gifts

Naming UAI as the beneficiary of a life insurance policy is an easy way to make a planned gift. Such a gift can ultimately turn small regular premium payments into a much larger gift to UAI. A life insurance legacy bequest is a common form of gifting. This form of gift is not taxable to the estate, but is also not tax deductible to the policy owner.

There are three parties to a life insurance contract: the insured, the owner, and the beneficiary. The owner cannot receive a tax deduction based on the beneficiary status. However, there is another form of life insurance gift that does provide a tax deduction - The Policy Gift: If the owner of a life insurance policy gifts the policy itself to UAI, then the cash value (not the death benefit) is eligible for a tax deduction. This is simple to do. It is called a "change of ownership" and is a common form of planned gift. The Premium Gift: If a cash value life insurance policy is not "paid-up", meaning premium payments are still required to keep the policy in-force, then the gift of the cash value policy can also receive an annual, tax deductible, gift of the premium payment. The cash value of the policy is a tax deductible gift and the gifts of cash premium payments are also tax deductible.

All three forms of life insurance gifts are easily executed and are all common forms of planned gifts for donors to consider.



## 5. CHARITABLE TRUSTS

There are several common charitable trust strategies, but they all fall into two fundamental types - Lead Trusts and Remainder Trusts. This allows great flexibility based on the donor's personal needs and priorities. All charitable trust forms provide tax deduction opportunities to the donor. All charitable trusts are considered "irrevocable" by the IRS, meaning they are executed transfers of interest by contract, held by a separate legal entity - the trust. The donor cannot serve as the trustee and cannot change or break the trust, once established and funded.

### Lead Trust

This form of charitable trust pays an amount of income to UAI for the donor's life. Upon death, the trust disperses the "remainder" amount in the trust to other beneficiaries (not UAI), usually to family heirs.

### Remainder Trust

This form pays an amount of income to the donor instead of UAI. UAI receives the remainder amount at the donor's death. But the donor receives a current tax deduction in the year the trust is funded based on the beginning value of the trust fund, the age of the donor, and tables provided by the IRS which calculate the "future" value of the trust gift.

These trusts are known as "split-interest" trusts, meaning that both the donor and UAI share an interest in the gift for the donor's life. One party gets the income for life; the other retains the remainder value at the donor's death.

Charitable trusts are very common in the U.S. But they do require the help of an experienced estate planning attorney and a capable trustee who accepts the fiduciary duty of executing the terms of the trust document. While this may increase complexity and cost some, the benefits to the donor and UAI can be quite significant as well. These trusts are funded by gifts of cash or marketable securities and remain invested during the donor's life.

## 6. CHARITABLE GIFT ANNUITY

A gift annuity performs and functions similar to the remainder trust; the donor receives a lifetime income and UAI receives the remaining value of the annuity upon the donor's death. Gift annuities are far simpler than trusts and do not require attorneys or trustees. A gift annuity is a contract (not a trust) and may be funded by a donation of either cash or in-kind securities.

## 7. SUMMARY

This brief introduction to multiple forms of planned gifts is designed only to illustrate basic forms of common gifts utilized by donors. Every donor has a unique personal financial profile, priorities, and needs. Congress and the IRS have therefore created and allow for many different forms of donor gifts.

The tax code offers many rewards and incentives to support the philanthropic generosity of US taxpayers. Well planned gifts to the UAI can help donors support the mission in new ways to expand the global outreach and connect Urantia Book readers and believers for generations to come.

We are happy to provide additional information and resources to help you or your professional advisors to execute gifts to UAI.

Please review UAI's Gift Acceptance Policy and call us to help guide you through the process. We are so very grateful to our many supporters, volunteers, and donors.



**“The trusteeship of the wealth  
of one person for the benefit  
of others is a solemn and  
sacred responsibility”.**

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