

montana shares report

Newsletter & annual report from Montana Shares, a partnership of Montana-based nonprofit groups devoted to improving the quality of life in communities throughout Montana

Fall 2014

There's Magic in Giving

by Bill Crane

There is magic in giving. How could setting up a \$10,000.00 deferred gift annuity only cost as little as \$3302.00 the first year? Before we get into details, I want you to understand that charitable investment is not out of reach of normal people. There are numerous charitable instruments in the planned giving toolbox. Here are some giving options.

Outright Gift. You can make a gift of cash, stocks, bonds, real estate, or other assets to any fund at the Montana Community Foundation. Your charitable gift qualifies for tax advantage under federal law.

Bequest by Will. You can designate a gift or portion of your estate to a fund at the Montana Community Foundation and, in some cases, receive a substantial reduction in federal gift and estate taxes.

Charitable Gift Annuity. You can make a gift of cash or property to the Montana Community Foundation now, get immediate tax benefits, and ensure that you or a loved one receive fixed quarterly or annual income payments for life. Donors who take advantage of this gift instrument qualify for the Montana Endowment Tax Credit.

Charitable Remainder Trust. You can place cash or property in a trust that pays annual income to you (or another named beneficiary) for life. After your death, the remainder of the trust transfers to the Montana Community Foundation and is placed into a charitable fund you have selected. You receive income tax benefits the year you establish your trust. This gift allows donors to take advantage of the Montana Endowment Tax Credit.

About the Tax Credit. The Montana Endowment Tax Credit allows donors to pay less in Montana

state income taxes when they give a qualifying planned gift to a Montana charitable endowment. The incentive is 40% of the gift's federal charitable deduction, up to a maximum \$10,000 tax credit, per year, per individual, and a credit of 20% of a direct gift by a qualified business, up to a maximum of \$10,000 per year.

Back to the 33% cost example mentioned earlier. Let's dive into an example of a Deferred Gift Annuity. Diane is 60 years young. She wants to contribute to Montana Shares' long term funding. She gets in touch with the Montana Community Foundation. After talking about all of her options, she settles on a deferred gift annuity. With their help, she makes a \$10,000 cash gift. She gets two immediate first year benefits. The first is she gets a \$3,324 Montana Endowment Tax Credit. Secondly, she get a \$8,310 Charitable

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"...charitable investment is not out of reach of normal people"



Planned Giving Donor Example: 60 years of age



CHARITABLE GIFT ANNUITY

- 1 \$10,000 cash gift
- 2 \$2,768.20 Charitable Deduction
- 3 \$1,107.28 Montana Endowment Tax Credit
- 4 Annuity payments of \$440 per year for Donor's lifetime
- 5 Upon Donor's death, remainder goes to charity

BOTTOM LINE

\$10,000 gift = \$3,875.48 in tax deduction and credit

\$440.00 payment to donor for life

DEFERRED GIFT ANNUITY

- 1 \$10,000 cash gift
- 2 \$8,310 Charitable Deduction
- 3 \$3,324 Montana Endowment Tax Credit
- 4 Annuity payments begin within life expectancy (12/31/35) of \$700 per year for Donor's lifetime
- 5 After 5 years, Donor has option to refuse future payments which qualifies Donor for another smaller tax deduction
- 6 Upon Donor's death or refusal of future payments, remainder goes to charity

BOTTOM LINE

\$10,000 gift = \$11,634 in tax deduction and credits

\$700 payments to Donor for life beginning on 12/31/35

*Option for additional Tax deduction if future annuity payments relinquished.

These calculations are for illustration purposes only and should not be considered legal, accounting, or other professional advice. Your actual benefits may vary depending on several factors, including the timing of your gift.

Annual Report

STATEMENT OF FINANCIAL INCOME & EXPENSE

December 31, 2013

INCOME

Donations for Core Budget	\$14,865
Program Related Income	\$74,815
Grants & Events	\$33,314
Total In-kind Donations	<u>\$17,486</u>
Total Income	\$140,480

EXPENSE

Operations & Office Expense	\$29,064
Special Events	\$2,427
Payroll Expense	\$94,823
Total In-kind Donations	<u>\$17,486</u>
Total Expense	\$143,800
Retained Earnings	\$(3,200)

OTHER INCOME & EXPENSE

Workplace Donations	\$326,032
Less uncollectables	\$(24,011)
Less Program Admin Fee	<u>\$(45,305)</u>
	\$256,716
Paid to Members & Non-members	\$256,716

BALANCE SHEET

December 31, 2013

ASSETS

Total Checking/Savings	\$136,896
Total Accounts Receivable	<u>\$41,368</u>
TOTAL ASSETS	\$178,264

LIABILITIES & EQUITY

Accounts Payable Members 12/13	\$109,335
Non-members Accts Payable 12/13	\$16,256
Accounts Payable 13/14	\$24,580
Payroll Liabilities	<u>\$4,008</u>
Total Liabilities	\$154,179

EQUITY

Retained Earnings	\$24,085
TOTAL LIABILITIES & EQUITY	\$178,264

New member applications accepted this winter

If you know a nonprofit interested in applying to participate as a member of Montana Shares in the 2015-2016 campaign, have them contact the Shares office for the criteria, requirements and application packet. Deadlines: postmarked February 15.

Organizations must have a current 501(c)(3) IRS tax exemption and agree to work toward the Shares' mission, vision and values posted on our website. There is a list of requirements and an application process. This ensures our donors are supporting solid, accountable nonprofits working to make Montana a better place to live. If accepted, they will be able to participate in Montana Shares' public and private workplace campaigns.

Accountability and disclosures

Montana Shares is audited annually and meets the national standards for workplace giving federations set by Community Shares USA. For 2013 fiscal year, our IRS Form 990 reflects a low 6.5% fundraising/general management expense compared to revenue. Our IRS 990 and audited financial statements are posted on our website. We hold our members to accountability standards as well, so the donors and employers can be confident that the contributions are supporting the causes intended and are being well managed.

Montana Shares raised \$326,404 for campaign year 2013 and \$298,347 for campaign year 2014. Distributions to members are 85% of actual collected pledges; 100% of campaign contributions stay in Montana. Fifteen percent is withheld from collected contributions for program support. Our uncollectible pledges ran 8.89%, Member organizations pay annual dues based on a percentage of funds received. They commit to actively working with Shares to open and grow workplace giving campaigns. Members help Montana Shares with our work. Based on their involvement, they receive designated pledges plus a proportional share of undesignated pledges based on our member-approved policy.

Montana Shares is a partnership of Montana-based nonprofit groups devoted to improving the quality of life in communities throughout the state. Our members promote, protect and preserve our state's human, animal, cultural and natural resources. They work on issues concerning women, children, families and seniors, health and hunger, the environment, arts and culture, education, domestic and wild animals, social justice and human rights. The purpose of Shares is to work with and on behalf of our members to promote and support their programs, provide training, technical assistance, consultation and financial support on a year-round basis and, thereby, to help them expand and diversify their programs that serve Montanans. Contributions received at Montana Shares further serve to accomplish these purposes.

Council Officers - 2014-2016

President- Maureen Rude
Vice President- Stephanie McDowell
Secretary- Open
Treasurer- Dave Cooper
Past President- Mary Wright

Montana Shares at-large members and term ends working on behalf of all members of Shares:

Jan Donaldson, Helena, 4/16
Dori Skrukud, Butte, 9/16
Mary Wright, Helena, 5/15

Council members Individual

(representation) (term ends)
Nikki Andersen (ExplorationWorks) (9/15)
Dave Cooper (Helena Area Habitat for Humanity) (5/15)
Jan Donaldson (At-large member) (9/15)
Nancy Lee (Komen Montana) (9/15)
Stephanie McDowell (bridgercare) (5/15)
Betsy Mulligan-Dague (Jeannette Rankin Peace Center) (9/15)
Maureen Rude (NeighborWorks MT) (9/16)
Dori Skrukud (At-large member) (5/15)
Mary Wright (At-large member) (5/15)



Montana Shares Staff
Bill Crane, Executive Director
Kristi Paulsen, Office Manager
Heidi Hieser, Accountant

Member of:
Community Shares USA
communitysharesusa.org


Montana Nonprofit Association
mtnonprofit.org



Montana Nonprofit Association

montana
shares

your source for workplace giving

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sharesreport

A newsletter and annual report
from Montana Shares, a
partnership of Montana-based
nonprofit groups devoted to improving
the quality of life in communities
throughout Montana

www.montanashares.org



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Deduction. Depending on which tax bracket she is in, this deduction can be worth up to an additional \$3,324 off her taxes. This takes us back to where we started, a \$10,000 annuity which only cost Diane \$3,302.

On 12/31/2035, Diane can start collecting annuity payments of \$700 per year, for life. After she passes away, income is directed to Montana Shares. **However**, after a five year wait, 2019, if life is treating Diane well, she can refuse future payments, receive an additional tax deduction and Montana Shares can immediately benefit from the donation. Page two of the newsletter, has this laid out in an infographic to make it very clear.

Donating \$10,000 in a year may seem quite daunting, \$3302 is far more approachable. It is our goal to start building sustainable funding for Montana Shares' future. If you want to be part of this future, please contact me and we will sit down with the professionals at Montana Community Foundation to plan for that goal.

Thank you to Montana Shares 2014 Raffle Donors

Every year Montanans and individuals beyond our borders donate to support the work of Montana Shares in a variety of ways. This year's raffle, with 26 fabulous prize packages, raised over \$22,000, UP \$2,000 from last year. Thank you to our hard working members' staff and boards, our council and friends for your help and support. Thank you one and all! The winners of the 2014 raffle drawing were notified following the 9/6/14 drawing and their names are posted on our website. Visit montanashares.org home page, go to News and Events for the raffle results.