

# ACCEPTED ASSET TYPES

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We accept a wide variety of assets, allowing you to establish and grow your fund in the most tax-advantageous way.

## **CASH: CHECK OR CREDIT CARD**

Cash, usually in the form of a check or credit card, is a convenient way to establish or add to your fund. Gifts of cash enable you to claim a current tax deduction of up to 50% of your adjusted gross income<sup>1</sup>. Unused federal tax deductions may be eligible for use.

## **PUBLICLY TRADED SECURITIES & MUTUAL FUND SHARES**

Contributions of appreciated securities or mutual fund shares can produce significant tax savings, while allowing you to be more philanthropic than you may have thought possible. This is because you receive several benefits:

- An immediate charitable deduction for the full Fair Market Value of the donated assets
- Exemption for any capital gains tax on the appreciation
- The fair market value of contributed securities can be deducted up to 30 percent of your adjusted gross income
- Separating the timing of the gift of an appreciated asset to the Donor Advised Fund from the timing and amount of grants to the nonprofits

In addition, if the amount is larger than you can use in one year, you can carry the surplus forward for up to five subsequent years<sup>1</sup>.

For transfer instructions, please contact Karen Florez at (612) 672-3841 or [kflorez@mplsfoundation.org](mailto:kflorez@mplsfoundation.org).

## **CLOSELY HELD STOCK<sup>2</sup>**

If you own a closely-held or family business, you are likely to encounter several restrictions that make it difficult to establish a private foundation or family foundation. However, a partnership with The Minneapolis Foundation is a cost-effective way to maximize your philanthropic options while minimizing your tax liability. The Minneapolis Foundation can be particularly helpful in the following instances:

- Passing ownership of your company to children or key employees while not straining available assets and liquidity
- Selling your company and planning to minimize estate taxes
- Getting equity out of your company to provide income
- Creating a family philanthropic program using the assets of your business

## **REAL ESTATE<sup>2</sup>**

Gifts of real estate can include a house, apartment building, farm, vacation home, commercial buildings and income-producing and nonincome-producing land. A gift of real estate that you have owned for more than a year entitles you to a tax deduction for the full Fair Market Value of the property while allowing you to avoid capital gains tax.

Gifts of real estate typically require several procedural steps that include a site visit to the property, a qualified appraisal, a preliminary title report and an environmental assessment, and must be approved in advance by The Minneapolis Foundation.

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## INTEREST IN A LIMITED LIABILITY PARTNERSHIP<sup>2</sup>

If you own limited partnership interests, such as investment or business partnerships, you may be able to contribute an ownership interest to the Foundation. Individuals holding family limited partnership interests may be able to do so, as well. While donations of these and other more complicated assets require careful planning, we have the flexibility and expertise to review and accept them.

## LIFE ESTATES<sup>2</sup>

You can benefit today from the future gift of a home or vacation home. A life estate gift allows you to continue to live in the home for life and enjoy a current income tax deduction. The Minneapolis Foundation will ultimately sell the property without having to go through probate and use the proceeds to support the charitable purposes you care about most.

## LIFE INSURANCE POLICIES

A life insurance policy can become an ideal tool for charitable giving because many people find they no longer need policies they purchased earlier in their lifetimes. Gifting insurance policies is simple. You start by irrevocably assigning your insurance policy to the Foundation, which you also name as a beneficiary of the policy. You can make annual tax-deductible contributions to cover the policy's annual premium. Or, if the policy is paid up, you will receive an immediate tax deduction in an amount approximately equal to the policy's cash surrender value<sup>1</sup>.

<sup>1</sup> Information provided is general and educational in nature. It is not intended to be, and should not be construed as, legal or tax advice. The Minneapolis Foundation does not provide legal or tax advice. Content provided relates to taxation at the federal level only. Availability of certain federal income tax deductions may depend on whether you itemize deductions. Rules and regulations regarding tax deductions for charitable giving vary at the state level, and laws of a specific state or laws relevant to a particular situation may affect the applicability, accuracy, or completeness of the information provided. Charitable contributions of capital gain property held for more than one year are usually deductible at fair market value. Deductions for capital gain property held for one year or less are usually limited to cost basis. Consult an attorney or tax advisor regarding your specific legal or tax situation.

<sup>2</sup> These gifts require prior approval by The Minneapolis Foundation. For details contact Bill Sternberg, Philanthropic Advisor, at (612) 672-3825.