



# QUESTIONS & ANSWERS

**Q** | Why are legacy gifts so important to the financial health of nonprofit institutions?

**A** | A legacy gift is, by definition, designed to provide future benefits. Legacy commitments enable a nonprofit, like Flagler College, to build a pipeline of vital financial resources. These gifts help guarantee the organization's long-range growth and allow donors to demonstrate their dedication not just in the present, but for decades to come.

**Q** | What is a CGA, and why are they so attractive right now?

**A** | A charitable gift annuity (CGA) enables you to donate cash or securities to a charity and, in exchange, receive a fixed annuity payment for life. Donors can also name a second beneficiary, often a spouse. All gifts qualify for an income tax deduction when they are established. And in the current economy, the annuity rates (established by the American Council on Gift Annuities) for CGAs are very favorable, generally in the range of 5-7 percent.

**Q** | What are the most popular types of legacy gifts?

**A** | The bequest is a classic legacy gift, and many people choose to make a bequest in their wills or trusts. Some give a percentage of an estate; others, a specific dollar amount; others, personal property, real estate, or artwork.

Another flexible option is a beneficiary designation in a retirement account or insurance plan. You can name a nonprofit whose mission you care deeply about, like Flagler College, as a partial, whole, or contingent beneficiary—and the charity's tax-exempt status will allow retirement assets to pass tax free to the organization, making this a particularly tax-wise gift.

## **Do you have an estate planning question?**

Please contact Nicole D. Pece, Director of Major and Planned Gifts, at 904-819-6406 or [NPece@flagler.edu](mailto:NPece@flagler.edu) for additional information.

Learn more at [www.flaglergiving.org](http://www.flaglergiving.org)

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