

LCUUF LEGACY GIFT POLICY

The following are the guidelines for “Legacy” donations to LCUUF

Definition of Legacy Gifts:

A financial or tangible bequest to the Lake Chapala Unitarian Universalist Fellowship (LCUUF) included in an estate or trust or presented as a special gift. Any bequests from wills or special gifts which are not part of a donor’s annual pledge will be put in LCUUF’s investment fund.

Mexican Bequests

The following Information must be provided to the donors for *Notario* when preparing a Mexican will:

- Any bequests to LCUUF from Mexico should be specified in your will exactly as follows:
 - Lake Chapala Unitarian Universalist Fellowship, Asociación Civil

A bequest is usually a fixed peso amount or a percentage of the estate

U.S. and Canadian Bequests

Information for your lawyer when preparing your U.S. or Canadian will.

Information for your Lawyer when Preparing your U.S. or Canadian Will

We have set up a U.S. tax-exempt charitable organization (a 501(c)(3)) in Laredo, Texas, to make it more convenient to donate special gifts or make bequests in U.S. or Canadian dollars and receive a U.S. tax receipt. For a bequest in U.S. or Canadian dollars, your will should specify the name of the organization as:

Lake Chapala Unitarian Universalist Fund, Inc.

A U.S. or Canadian executor may contact the Legacy Team LegacyTeam@LakeChapalaUU.org for assistance in handling the bequest (e.g., for bank information).

Donations of Securities

Lake Chapala Unitarian Universalist Fund, Inc. can accept direct transfers of securities to its U.S. brokerage account.

Lake Chapala Unitarian Universalist Fund, Inc. (LCUUF, Inc.), a U.S. 501(c)(3) charitable organization, has a brokerage account with Charles Schwab. This means that you can donate appreciated stocks directly to LCUUF, Inc. with significant tax advantages.

For U.S. taxpayers, if you have stocks that have appreciated in value, you pay capital gains tax on the gain when they are sold. However, if you donate the appreciated shares directly to a 501(c)(3) organization, the benefits are:

1. The donor receives a U.S. tax deduction for the full market value of the stocks on the date of transfer.
2. The donor does not pay any capital gains tax on the transfer of stocks.
3. The charitable organization does not pay any tax upon receipt or sale of the stocks.

We would like to encourage members and friends of LCUUF to consider donations of stocks to LCUUF Inc.'s brokerage account. You should discuss this with your own financial or tax adviser before proceeding.

Questions may be directed to Lorna Dean, Secretary of LCUUF, Inc. at LegacyTeam@LakeChapalaUU.org or to Al Castleman, Treasurer of LCUUF, A.C. at Treasurer@LakeChapalaUU.org

Qualified Charitable Distributions

If you are required to take a Required Minimum Distribution from your U.S. IRA each year, you might consider a Qualified Charitable Distribution directly to Lake Chapala Unitarian Universalist Fund, Inc. See [here](#)

If you have an Individual Retirement Account (IRA) in the USA and are required to take a Required Minimum Distribution (RMD) from it each year, you may want to consider using part of your Required Minimum Distribution to pay your pledge or to make a special donation to Lake Chapala Unitarian Universalist Fund, Inc. (LCUUF, Inc.)

You can do this by taking a Qualified Charitable Distribution (QCD) from your IRA and paying the funds directly to LCUUF, Inc. which is a 501(c)(3) charitable organization in the USA.

The advantage of a Qualified Charitable Distribution is:

The withdrawal from your IRA counts as part of your Required Minimum Distribution, but it does not count as taxable income to you.

This can be more tax efficient than withdrawing your Required Minimum Distribution, counting it as taxable income, and then paying your pledge or making a charitable donation to LCUUF, Inc., especially if you take the standard deduction. As you get older, the amount of your Required Minimum Distribution gets larger, so a Qualified Charitable Distribution becomes more valuable.

If you are considering doing this, you must:

1. Talk to the financial institution which holds your IRA and find out their procedures for making a Qualified Charitable Distribution. Some financial institutions will only mail a paper check, made out to the charitable organization, and mailed to the address on the IRA account. Some will do an electronic transfer. Some people have paper checks for their IRA and can write a check directly to the charitable organization.
2. Talk to your tax preparer in advance to ensure that this is beneficial for your tax situation and that your tax preparer knows how to treat a Qualified Charitable Distribution on your tax return. There is no specific tax document which the financial institution will issue for a Qualified Charitable Distribution. You will get a 1099-R that indicates the withdrawal is taxable. It is up to your tax preparer to adjust the entry on your tax return so that the withdrawal is treated as a Qualified Charitable Distribution and is, therefore, non-taxable income.
3. Contact Susan Miller, Treasurer of LCUUF, Inc.
at lcuufinc@LakeChapalaUU.org for the bank account details or to discuss getting your paper check deposited in LCUUF, Inc.'s bank in the USA.

Mexican Houses

You may make a bequest of your house in Mexico to LCUUF.

If you would like to make a bequest of your house in Mexico to LCUUF, you can designate this in your Mexican will. The beneficiary should be specified as:

Lake Chapala Unitarian Universalist Fellowship, Asociación Civil

Please speak to someone on the Legacy Team LegacyTeam@LakeChapalaUU.org if you plan to do this.

Other U.S. or Canadian Assets

If you wish to make a bequest of other U.S or Canadian assets, please contact the Legacy Team at LegacyTeam@LakeChapalaUU.org

Approval by LCUUF Board

If you would like to give a gift for a specific, immediate purpose, talk to a Legacy Team member, and we will ask the LCUUF Board for approval for the particular purpose.

The LCUUF Board of Directors has the power to approve or decline any specific bequest or gift.

Consultation with your Legal Representative

This description is not intended to give legal advice. In all cases, potential donors should consult with their own *notario* in Mexico or their lawyer in the USA or Canada for advice on drafting their will.

Contact Information for the Legacy Team

The Lake Chapala Unitarian Universalist Fellowship's Legacy Team consists of: Norman Woods, Lorna Dean, Dave Miller and the Rev. Matt Alspaugh. You may speak to any one of us to discuss legacy issues. You may email the Legacy Team at LegacyTeam@LakeChapalaUU.org