



A Guide to

# GIFT PLANNING



Charitable giving that helps you achieve your personal, financial and philanthropic goals



ENDOWMENT, INC.

## A Message from Legacy's Chief Development Officer

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Friends,

I am honored to welcome you to explore the transformative opportunities available by including Legacy Community Health in your estate planning. Our organization has provided comprehensive, quality health care services to underserved communities in the Texas Gulf Coast region for over 40 years. As we continue to grow and serve more individuals and families, we recognize the critical role that long-term financial stability plays in our mission.

Legacy's Endowment Board guides this cornerstone of our long-term financial strategy. By including Legacy in your estate planning, you are empowering us to continue our work for future generations. Whether through a bequest in your will, a charitable trust, or any other planned giving option, your support will provide ongoing support for our services, allowing us to adapt and expand our programs to meet the evolving needs of our community.

We understand that estate planning is a deeply personal process, and our team is here to provide guidance and support every step of the way. We are committed to working with you to find the most meaningful and beneficial way to include Legacy in your plans.

Thank you for considering Legacy Community Health in your estate planning. Your foresight and generosity will ensure that we can continue to provide vital health care services to those in need, now and in the future. Together, we can build a healthier, stronger community for all.

Warmest regards,

A handwritten signature in black ink that reads "Chree Boydston". The signature is written in a cursive, flowing style.

Chree Boydston  
Chief Development Officer  
Legacy Community Health



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## MISSION

Driving healthy change in our communities.

## VISION

Connecting our communities to health every day, in every way.

## VALUES

### **Health Care is a Right, Not a Privilege**

We believe that comprehensive health care is a human right. Legacy's services and programs are open to all who need us, regardless of the ability to pay, without judgment or exception.

### **Devotion To Our Communities**

We continue to build our legacy on a solid foundation by learning from our communities, embracing the people in them, and serving their unique needs. Especially when no one else will.

### **Leading The Charge**

We address issues others shy away from. Not because it's easy or popular, but because it's the right thing to do. The Legacy team possesses unwavering courage and serves as a visionary catalyst for sustainably healthy communities.

### **Active Stewardship of Resources**

We carefully manage our available resources, in order to deliver on our promise of driving healthy change. We remain grounded in responsible decision making for sustainable operations, putting every asset where it can do the most good for the community.

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# About Legacy Community Health

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Legacy Community Health is the largest Federally Qualified Health Center (FQHC) in Texas, with a deep-seated commitment to underserved communities. With a network of over 57 locations, Legacy provides a full spectrum of services from primary care for adults and seniors to pediatrics, OB/GYN, a wide array of behavioral health services, dental care, HIV/AIDS care, vision, specialty care, and pharmacy services.

For over 40 years, Legacy has been at the forefront of innovation in health care delivery, ensuring access to all, particularly those living at or below the poverty level—a staggering 91% of our patients. Legacy's sliding fee scale and the absence of barriers to care embody our dedication to service without judgment or exception.

The merger of Montrose Clinic and The Assistance Fund in 2005 marked the inception of Legacy, merging 30 years of service excellence into a unified force for community health. This united front spurred growth, leading to the establishment of the Fifth Ward Clinic in 2006, thanks to our storied reputation for health care excellence and financial stewardship.

The expansion continued with the acquisition of CHRISTUS Health clinic and the opening of a new clinic in the Baker-Ripley complex in 2010, followed by new campuses in Baytown and Beaumont in 2012. Our state-of-the-art Legacy Southwest, which opened in 2019, further signifies our growth.

Legacy's collaboration with KIPP schools in 2012 launched our School-Based Health Care Program, now comprising 37 locations. These clinics mirror the services of a standard pediatric office, encompassing comprehensive behavioral and pediatric care.

When COVID-19 struck, Legacy's clinics were among the first responders, establishing testing sites in Montrose, Fifth Ward, Southwest Houston, and Beaumont, demonstrating our agility and commitment in times of crisis.

In 2023, we revolutionized our pharmacy services by launching the Central Fill Pharmacy. Operating as a "closed-door" facility, it supports our trio of pharmacies and clinics by streamlining pharmacists' interactions with patients. This innovation strengthens the continuity of patient care and improves health outcomes.

As we look forward to initiating a capital campaign for a new Beaumont location in 2024, Legacy Community Health remains steadfast in our mission to deliver exceptional care, serving as a pillar of health and hope in the communities we are privileged to serve.

# Ways to Give

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## Annual Giving

An ongoing show of financial support for charity with regular, annual gifts

## Major Giving

A significant show of support for charity with a sizable gift

## Planned Giving

Also called "gift planning." A way to leave assets to charity that provides you and/or loved ones with current and future benefits

## Blended Giving

A combination of a major and planned gift

The information in this guide is not intended to serve as tax, legal, investment or financial advice. Gift results may vary. Consult your personal financial advisor for information specific to your situation.



# Charitable Bequest

- A gift left to charity when someone passes away. A bequest is one of the easiest ways to leave a legacy and support the causes you care about.

You can leave a bequest to support our work by making a promise in your will, living trust or codicil. Certain assets, such as an insurance policy, retirement account or bank account, can be left by way of a beneficiary designation. With a bequest, or beneficiary gift, the asset is transferred to charity once the donor passes away.

## BENEFITS OF A CHARITABLE BEQUEST

### *Bequests are flexible*

You can leave a bequest of a specific dollar amount, a percentage of your estate or even a specific asset, such as a retirement account.

### *Bequests are empowering*

With a bequest, you retain full ownership and control of your assets during life – you can use your assets as you see fit and can even sell the asset if you need to.

### *Bequests can be strategic*

Bequests can help you establish priorities. You could name a loved one as a primary beneficiary, but if that person is no longer living, your estate plan could leave the asset to our organization as a contingent beneficiary.

### *Bequests may save on taxes*

If your estate will be subject to estate taxes, a charitable bequest will reduce the amount of tax due, including by generating a charitable estate tax deduction.



## IDEAL FOR:

Anyone. Bequests are gifts that anyone can make.

## LEARN MORE

If you are interested in learning more about charitable bequests or are looking for sample bequest language to provide to your attorney, we offer several free resources at [giftplanning.com](http://giftplanning.com)



## OBJECTIVE

You want to make a gift to our organization but are looking for a way to give that provides you with flexibility if your needs change.

## SOLUTION

The right solution could be a charitable bequest. You can establish a gift in your estate plan today while preserving your savings for tomorrow.

## BENEFITS

With a bequest, you can support the causes you care about while saving on potential estate taxes and retaining assets to meet your future needs.

# Charitable Gift Annuity

- A way to give where you make a gift of cash or property to us and we agree to make fixed payments to you or you and a loved one for life.

A Charitable Gift Annuity (CGA) is a contract between a donor and a charity. In exchange for a gift of cash or property, we agree to make fixed payments to you for the remainder of your life.



## IDEAL FOR:

Someone who desires fixed payments for life. Beneficial if you have cash or appreciated property that produces little or no income.

## DURATION

You give cash or appreciated property to us. We make fixed payments for the lifetime(s) of one or two individuals.

## PAYOUT RATE

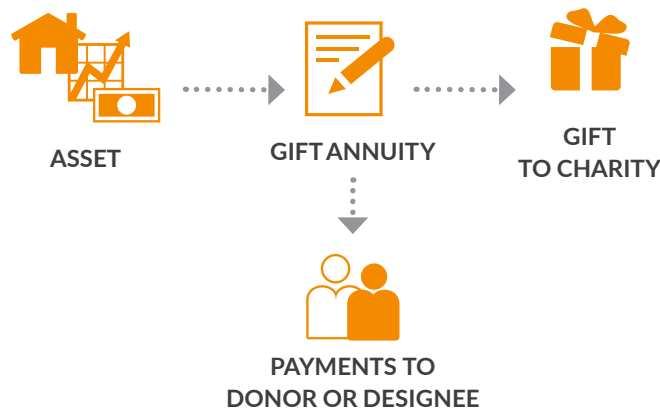
Payments are based on the age of the annuitant(s). We use rates recommended by the American Council on Gift Annuities (ACGA).

## TAXATION OF PAYMENTS

A portion of most gift annuity payments is tax free. The remainder of the income is taxed at ordinary rates and possibly capital gains rates.

## TIMING

A gift annuity contract can begin making payments immediately (current gift annuity) or defer payments for at least one year (deferred gift annuity).



## OBJECTIVE

You want to make a gift to charity and receive fixed payments for the future. You may be looking for current income tax savings

## SOLUTION

You enter into a charitable gift annuity agreement with us.

## BENEFITS

- Fixed Payments for Life*  
To one or two individuals.
- Tax-Free Payments*  
A portion of each payment may be tax free.
- Rates by Age*  
Payout rates are based on the age of the beneficiaries.
- Tax Deduction*  
Receive an income tax deduction.

# Charitable Remainder Trust

- The Charitable Remainder Trust (CRT) is funded with cash or property. It makes payments for a lifetime or a specified term of years to people you select, then distributes the remainder to charity.

You transfer cash or appreciated property to a CRT. A CRT is a tax-exempt trust that can sell the property without paying capital gains tax and can invest the proceeds to pay you or loved ones income.



## IDEAL FOR:

Someone with cash or appreciated property of at least \$100,000 in value who desires income and tax savings.

## DURATION

Payments from the trust can last for the lifetime of one or more beneficiaries or for a specified term of years.

## ANNUITY VS. UNITRUST PAYOUT

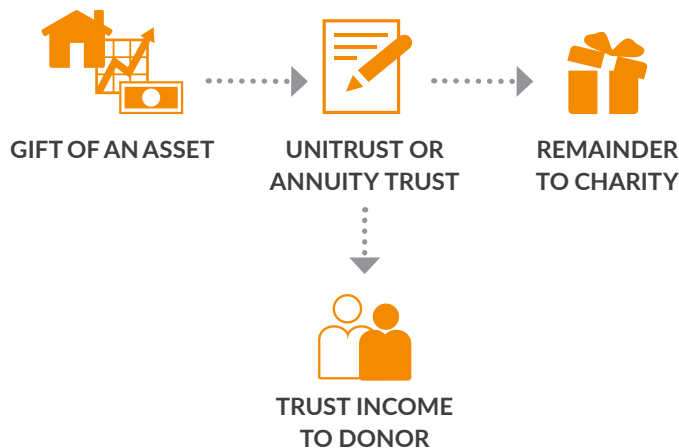
A Charitable Remainder Annuity Trust (CRAT) pays out a fixed amount each year. A Charitable Remainder Unitrust (CRUT) pays out a percentage of the trust value each year.

## TAXATION OF PAYOUTS

Most CRT payouts are taxed to the beneficiary as ordinary income and/or capital gains.

## SUPPORT YOUR FAVORITE CAUSES

After all of the income payments have been made, the trust assets are transferred to us to support our work.



## OBJECTIVE

You desire to change appreciated property that produces little or no income into an income stream without paying capital gains tax on the sale of the property.

## SOLUTION

You contribute appreciated property to a Charitable Remainder Trust that will sell the property tax free and make payments for the beneficiaries' lifetime or a specified term of years.

## BENEFITS

*Bypass Gains*  
Trust sells property tax free.

*Increased Income*  
The trust pays a percentage of its value to the trust beneficiaries.

*Tax Deduction*  
You receive a current federal income tax deduction.



# Family Charitable Lead Trust

The Family Charitable Lead Trust (CLT) is funded with cash or property and makes payments to our organization for a specified period, then distributes the trust property to beneficiaries you select.

You contribute property to a trust that will make distributions to charity for a number of years and ultimately distribute the property to your family.



## DURATION

A CLT can last for the lifetime of one or more beneficiaries or for a specific term of years.

## ANNUITY VS. UNITRUST PAYOUT

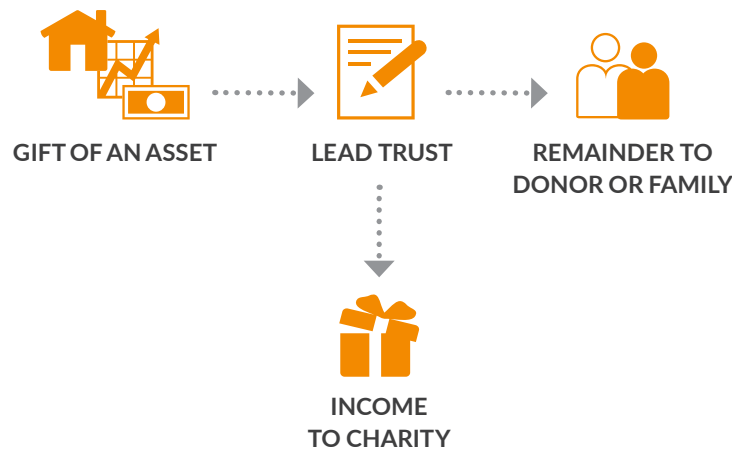
Each year, the trust pays either a fixed amount (CLAT) or a percentage of the trust assets (CLUT) to our organization.

## LEAD TRUST TYPES

A family CLT receives property and distributes it to the non-charitable beneficiaries at the end of the term. A gift tax deduction is available to a donor who creates a family CLT. The donor's estate receives an estate tax charitable deduction if the CLT is established at the donor's death.

## IDEAL FOR:

Someone who wants to pass specific property with growth to family at reduced gift or estate tax costs. Ideal for a person with a taxable estate.



## OBJECTIVE

You want to make a gift to charity for a period of time, then transfer an asset to family (and pay minimal gift or estate taxes).

## SOLUTION

You contribute property to a trust that will make distributions to us for a number of years and ultimately distribute the property to your family.

## BENEFITS

*Appreciation to Family*  
You give property to a Lead Trust and that property plus growth passes to your family with no additional tax.

*Tax Deduction*  
You receive a federal gift or estate tax deduction for the present value of the payments that go to charity.

# Life Estate Reserved

- Our organization accepts a gift of property – either a personal residence or farm – and you retain the right to use the property for your lifetime.



You execute a deed transferring a house or farm to us. In the deed, you retain a “life estate” that grants you the right to use the home for life. At the time of the gift, you and our organization enter into a Maintenance, Insurance and Taxes (MIT) agreement.

## IDEAL FOR:

Someone who wants to remain living in his or her home and desires a current income tax deduction.

### DURATION

The Reserved Life Estate typically lasts for the life of the donor.

### DEED RESTRICTIONS

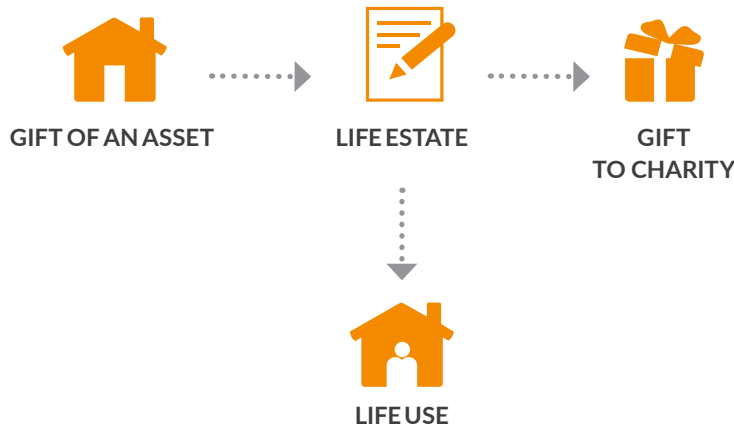
The deed of the remainder interest to our organization must not be restricted.

### MORTGAGE

It is possible for you to make a gift of a remainder interest even though there is a mortgage on your property.

### MIT AGREEMENT

You agree to pay the costs related to maintenance, insurance and taxes.



## OBJECTIVE

You may desire to leave your house or farm to us in your estate plan, but you want to continue to live on the property and want tax benefits now.

## SOLUTION

You can deed a home or farm to us but keep the right to use the home or farm for your lifetime.

## BENEFITS

### *Tax Deduction*

You receive a federal income tax deduction for the present value of the remainder interest in the home or farm.

### *Preserves Lifetime Use*

You are able to use and control the home or farm for the rest of your life.

# Gifts of Retirement Assets

You can use your retirement assets to support the causes you care about. An IRA rollover gift will support our work today. The bequest of an IRA will ensure you leave a lasting legacy.



Did you know you can use your IRA to support our work? If you are looking to include us in your estate plan but aren't sure how to do that, consider a bequest of all or part of your IRA or other retirement assets.

## USING YOUR IRA FOR GOOD TODAY

Individuals aged 72 or older must take their Required Minimum Distribution (RMD) from their IRA. This is taxable and it can push the recipient into a higher tax bracket.

If you do not need the extra income, or want to lower your taxes, IRA owners age 70½ can give up to \$105,000 this year directly from your IRA to support our work and the gift may count against your RMD.

If you are interested in making an IRA rollover gift, we will provide you with information you can share with your IRA custodian so you can complete your gift.

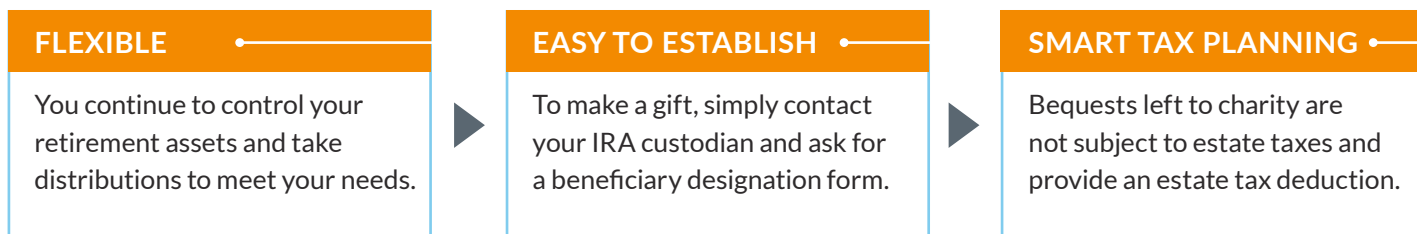


## USING YOUR RETIREMENT ASSETS TO LEAVE A LASTING LEGACY

Leaving retirement assets to charity in your estate plan is an excellent way to support the causes you care about. You can use a "beneficiary designation" to name our organization as a beneficiary of your retirement account.



Bequests of retirement assets are:



Retirement assets can also be used to fund a charitable trust to provide for loved ones. The trust can pay income to your loved ones for the period of time you designate, after which the trust balance will be distributed to us. This strategy also produces estate tax benefits.

# Bargain Sale

- We purchase your property for less than its fair market value or accept a gift of mortgaged property.



A bargain sale works just like any other sale except the sale's price is less than the property's value. You transfer an asset to us and receive a tax deduction equal to the property's value less the sales price.

## IDEAL FOR:

Someone who owns appreciated property and wants to benefit us, but wants either cash proceeds or debt relief.

### CHARITABLE DEDUCTION

You receive a charitable deduction for the difference between the fair market value of the property transferred and the cash received in the bargain sale.

### CASH OR DEBT RELIEF

You sell the property to us and receive a cash payment or debt relief.

### BARGAIN SALE

You receive the cash or debt relief you desire, and we receive a valuable property for a payment that is less than the fair market price. The difference between the sale's price and the appraised value of the property is treated as a gift.



ASSET



SALE TO CHARITY  
AT LESS THAN  
MARKET PRICE



DONOR RECEIVES  
SALES PROCEEDS AND  
CHARITABLE DEDUCTION

## OBJECTIVE

You desire to sell your property and also make a gift to support our mission.

## SOLUTION

We can buy the property at a bargain price or agree to accept the property subject to a mortgage.

## BENEFITS

### *Immediate Benefits*

You get a cash payment or debt relief.

### *Bypass Gains*

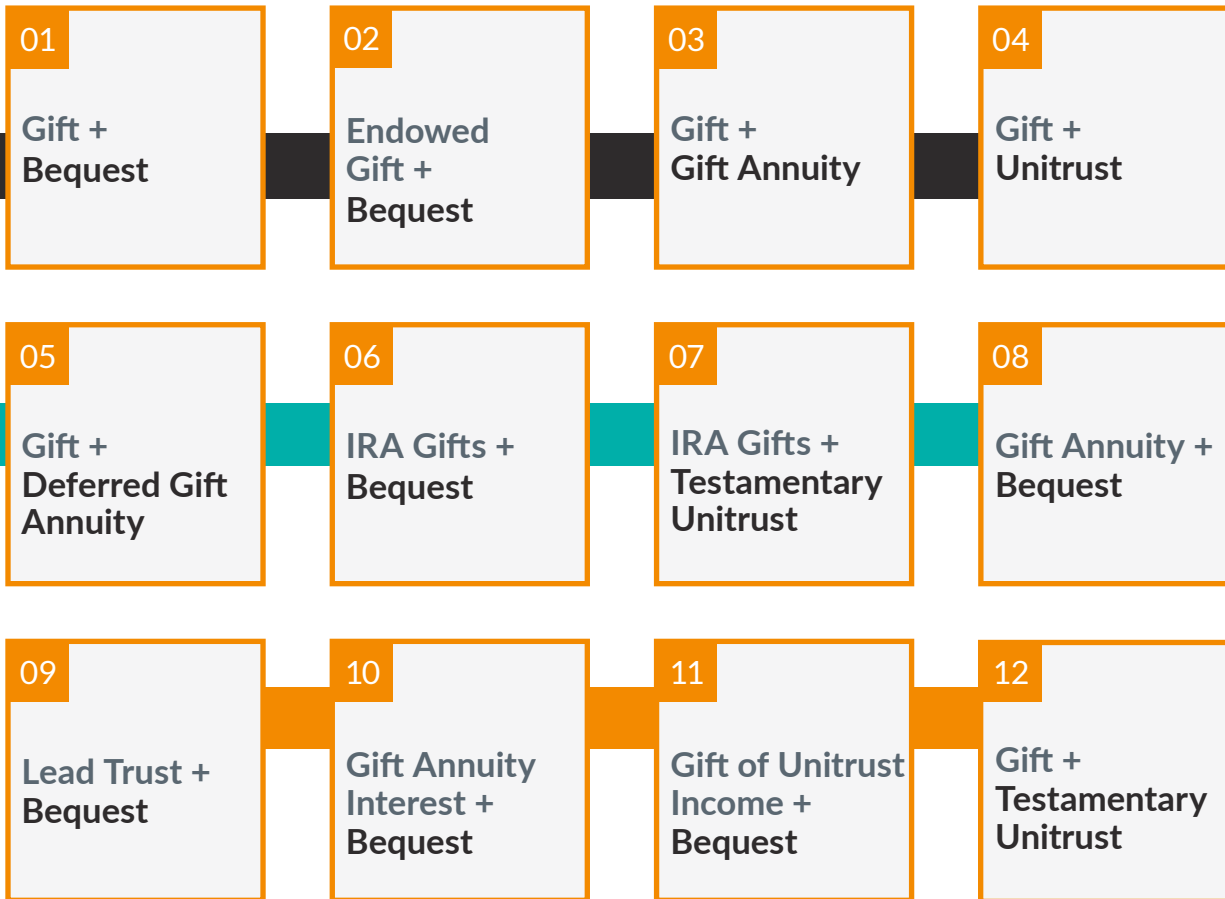
You avoid gains on the part that is a gift.

### *Tax Deduction*

You receive a current federal income tax deduction for the part of the property given to us.

# Blended Gifts

A blended gift combines a current gift and a planned gift. It's a way for you to support the causes you care about and make your giving go further. Here are the 12 most common blended gifts:



A current gift creates the opportunity for you to see the impact of your giving today. Adding a planned gift to your current gift makes it possible for your giving to make a difference in the future.

The most popular planned gift remains the charitable bequest. So, it should not be a surprise that the most common blended gift is a combination of a current gift (often a major gift) and a charitable bequest.

## Why is the gift and bequest combination so appealing to donors?

### LEGACY

If you make annual gifts, please also consider continuing your giving by leaving a gift (bequest) in your will or estate plan.

### FLEXIBLE

Bequests are a flexible way to give. If your circumstances change, you can change your mind and update your will or trust.

### TAX BENEFITS

You will enjoy tax savings with an outright gift and avoid estate tax with the bequest (if you have a taxable estate).



# Contact Us

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**Chree Boydston, Legacy Chief Development Officer**

cboystun@legacycommunityhealth.org

281-660-4584

**Tim “Timmy” Martinez, Vice President of Major Gifts & Planned Giving**

tjmartinez@legacycommunityhealth.org

713-203-7221

**Mailing Address:**

Legacy Community Health

P.O. Box 66308

Houston, Texas 77266

**Physical Address:**

Legacy Community Health

1415 California Street

Houston, Texas 77006

**Legacy Community Health Services, Inc.**

EIN: 76-0009637

**Legacy Community Health Endowment, Inc.**

EIN: 76-0248082

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## ENDOWMENT, INC.

Thank you for your interest in our Guide to Gift Planning. Before making a planned gift to our organization, please seek the advice of your personal legal, tax, estate planning, financial or investment advisor to ensure any gift you are considering is appropriate given your personal circumstances. If you or your advisor have questions, our expert staff is available to assist you.

Legacy Community Health Endowment  
P.O. Box 66308  
Houston, Texas 77266  
832-548-5054  
[cboystun@legacycommunityhealth.org](mailto:cboystun@legacycommunityhealth.org)  
[tjmartinez@legacycommunityhealth.org](mailto:tjmartinez@legacycommunityhealth.org)