

# Making a Charitable Gift to ALTA

The ALTA Endowment was established in 2000 to provide a permanent source of income to support ALTA's program mission and services. The following section outlines the different ways that donors can make charitable gifts in support of ALTA.

## **Gifts of Cash**

Gifts of cash to the American Literary Translators Association may be made outright or pledged over a period of up to five years. Checks should be made payable to The ALTA Endowment. If you are an itemizer, your gift is fully tax deductible up to 50 percent of your adjusted gross income. Any excess may be carried forward for up to five years.

## **Gifts of Appreciated Property**

If you own stocks, bonds, mutual funds or other assets that have increased in value since the time of purchase, you may find it advantageous to give them to ALTA. Your outright gift of long-term, appreciated securities is exempt from capital gains taxes and, if you itemize, you may claim a charitable income tax deduction equal to the full fair market value of the property at the time of transfer.

## **Gifts of Real Estate**

You can make a gift of real estate to ALTA and receive substantial benefits. For an outright gift of real estate, the donor receives a charitable income tax deduction based on the fair market (appraised) value of the property. Through a retained life estate, you may make a gift of your personal residence, but retain the right to live in it during your lifetime. You are still responsible for paying taxes, insurance, and maintenance costs, but you do receive a substantial charitable income tax deduction in the year the gift was made.

## **Estate Planning and Bequests**

For many donors, a gift made through a will or trust is the most realistic way to make a major gift while reducing the size of their estates to minimize estate taxes. Through a bequest, a donor may leave to ALTA a specific dollar amount, for example \$50,000, or a specific percentage, such as 25% of the estate. Donors who make bequests to ALTA receive federal estate tax charitable deductions.

## **Life Income Gifts**

A variety of options under this heading provide an income for life for the donor and/or the donor's spouse, and a

charitable income tax deduction. Upon the donor's death, the remainder can be used to benefit an endowed fund.

If you are interested in making a large gift (in excess of \$200,000) a charitable remainder trust is a personalized life income gift that provides a donor with a lifetime income and a substantial charitable income tax deduction. The lifetime income payout rate is usually between 5 and 8 percent depending on the donor's age and tax situation.

We would be pleased to discuss this option with you and your financial advisor.

## **About Endowed Funds**

If you are making a gift of at least \$5,000 to ALTA, you may wish to establish a targeted endowed fund that will direct the earnings from your gift to a specific program or service within ALTA. You can name this endowed fund and specify precisely how the earnings from this fund should be used to benefit ALTA. By creating an endowed fund, you make a lasting contribution to the future of ALTA and literary translation.

## **Financing an Endowed Fund**

A minimum of \$5,000 is required to establish an endowed ALTA fund. You may specify in writing the purpose of your endowed fund. Your named fund can grow with the help of family and friends. Additional gifts to your endowed fund can be made at any time. Your endowed fund may be funded through an outright gift, a gift of securities or real estate, or a gift through one's estate.

## **How Endowed Funds Are Managed**

The principal of the endowed fund is invested by ALTA and the ALTA Investment Committee in consultation with a financial advisor. A portion of the earned income from the fund is distributed in perpetuity. Annually, 5 percent of the market value of the fund is distributed in support of the fund's purpose. Excess earnings are added to principal to produce more income in future years.

## **Endowed Fund Selection Criteria**

Donors must decide how the income earned on the endowed fund will be used. Donors may choose to support virtually any dimension of ALTA's programs and services, including the annual conference, ALTA publications, the ALTA Translation Prize, the Young Translators Fellowships, or some other organizational initiative.

## **Endowed Funds in Honor or Memory of Loved Ones**

Establishing an endowment is an excellent way to honor the memory of a loved one. Endowed funds can also be established in honor of distinguished professors, mentors, or individuals who made a difference in your life or career.



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