



The 1881 Legacy Society





The Command and General Staff College Foundation, Inc.

The Command and General Staff College Foundation, Inc., is a 501(c)(3) tax-exempt, non-profit educational foundation that provides resources and support to the U.S. Army Command and General Staff College (CGSC) established in 1881.

The CGSC Foundation's vision is to become a supporting organization that is widely recognized as the national leader in programs, innovation, and support to the U.S. Army Command and General Staff College to advance its core mission of educating leaders for the challenges of the 21st century.

CGSC Foundation Mission

- Enrich the College's academic environment
- Foster a strong relationship between the military and the private sector
- Enhance the institution's research activities
- Promote leader development
- Encourage excellence in the faculty and student body
- Maintain contact with alumni

CGSC Foundation programs and initiatives include: sponsorship of faculty and student excellence awards; sponsorship of faculty research; honoraria for guest speakers; The National Security Roundtable Series; the Colin L. Powell Lecture Series; Col. Arthur D. Simons Center for the Study of Interagency Cooperation; Gen. Hugh Shelton Chair in Ethics; the Alumni Outreach website; the annual Fort Leavenworth Ethics Symposium; the national-level annual CGSC Foundation Distinguished Leadership Award; distribution of the CGSC *Foundation News* magazine on a global scale; and much more.

While appropriated federal funding is adequate for the infrastructure and operating costs needed to maintain the educational baseline, funds that support and expand the *Margin of Excellence* in CGSC must come from private resources. Philanthropy, the means of obtaining these private resources, is an essential role for the CGSC Foundation. Through its philanthropic efforts such as the *1881 Legacy Society*, the CGSC Foundation helps CGSC produce exceptional leaders capable of dealing with the new environmental and operational challenges of a post-9/11 world. The CGSC Foundation is funded through private donations and its board of trustees is staffed with distinguished retired military leaders, business executives, community leaders and others who are focused on providing the *Margin of Excellence* to the educational programs of the U.S. Army Command and General Staff College.



www.cgscfoundation.org

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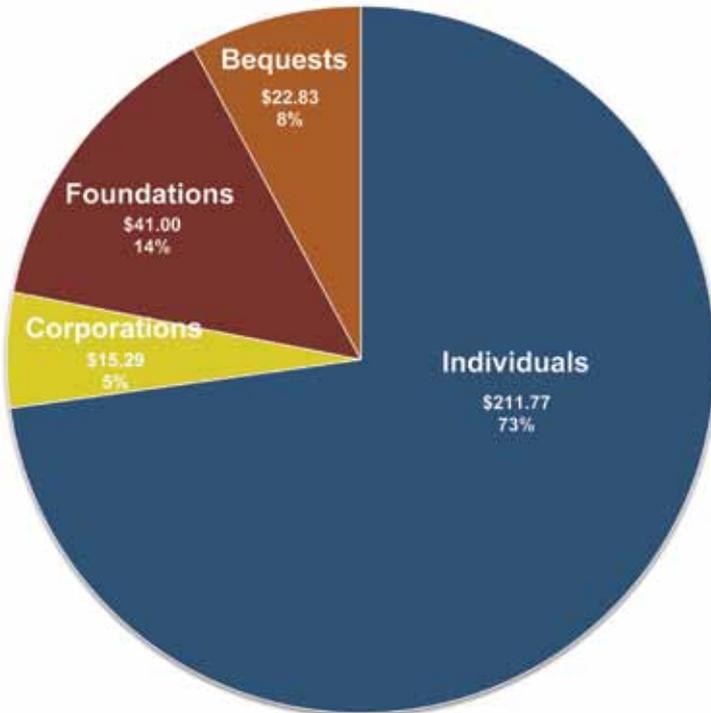
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Philanthropy

Philanthropy can be broadly characterized as the general love for humanity, focused on the well-being and overall quality of life for humankind. It naturally follows that philanthropic efforts play a vital role in American society. Funding received from philanthropy is most often used to benefit areas of education, human services, religion, health, arts, culture, research, individuals, and the environment. Philanthropists generally give to organizations that support these areas because those organizations place an intense emphasis on and a desire to impact the areas they are dedicated to, they strive for excellence in their purposes, and they genuinely want to make a difference where they have chosen to focus their resources.

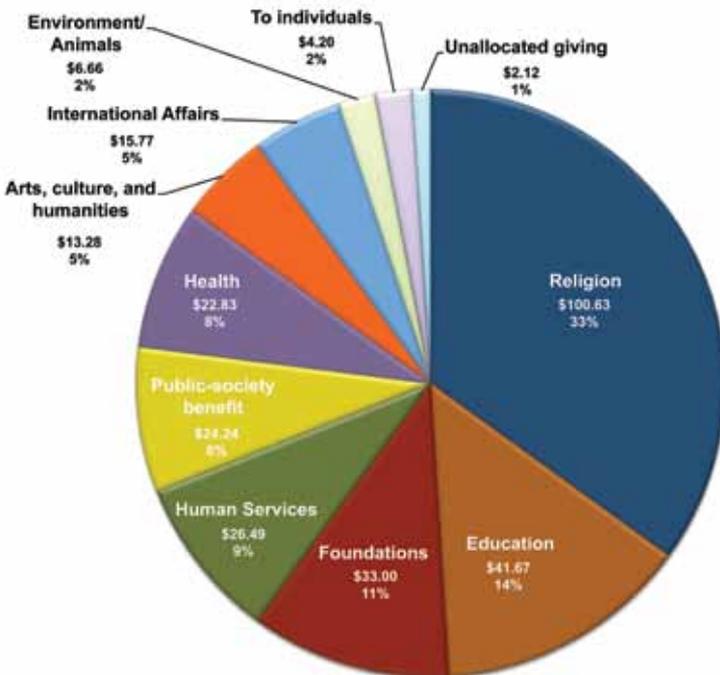
American charitable giving continues to increase each year. Total charitable giving by donor source increased by 3.8 percent in 2010, despite the difficulties our national economy is experiencing. In 2010, Americans gave about \$290.89 billion to charity. Giving by individuals represented the greatest portion of this amount, giving \$211.77 billion. Charitable bequests saw a significant change in giving with an 18.8 percent increase from 2009. What these statistics indicate is that Americans faithfully give because they are motivated by emotion; they give to support what they value and believe in, and are not necessarily influenced by the economic environment.





The largest percentage of the charitable contributions in 2010 went to support religion with \$100.63 billion, followed by education at \$41.67 billion. Giving to religion has been prevalent in philanthropic giving since before the Industrial Revolution and remains less impacted by economic conditions when compared to other causes. With that being said, giving to education increased by 5.2 percent, giving to health increased by 1.3 percent, and giving to public-society benefit organizations increased by a respectable 6.2 percent. What is important to recognize from all this information is that Americans give to every kind of cause and charity.

Engrained in the American culture is the fundamental belief in giving back. Americans across all income levels have consistently given an average of 2 percent of the GDP over the previous 40 years to philanthropic causes. Despite Americans' willingness to give, organizations need to demonstrate their effectiveness through programs and stories, remain committed to fulfilling their missions, and have an absolute focus on impact even in the face of extraordinary challenges. In order to continuously develop new effective programs and initiatives to the benefit of American society, it is very important for Americans to continue to give back.



All statistical information provided by Giving USA, a publication of Giving USA Foundation™. Dollar amounts are in billions. All figures are rounded.

Select the best option for your situation.

Your Gift	Life Insurance	Bequest in Will	Charitable Remainder Trust	Charitable Lead Trust
What is it?	A gift of a new or existing policy where you designate a charity as the owner and/or beneficiary.	A provision you make in your will that states that all or a portion of your estate will pass to a charity.	A trust that pays a certain amount of income at least annually to a private beneficiary or beneficiaries before a charity receives the remaining trust property.	A trust that pays fixed or variable income at least annually to a charity before a private beneficiary or beneficiaries receives the remainder.
How do you make the gift?	Name CGSC Foundation as the owner and/or beneficiary of the life insurance policy.	Include CGSC Foundation in your will by designating a specific dollar amount, a specific asset, or a percentage or residue of the estate.	Create a trust that pays to one or more private beneficiaries a certain amount of income annually for a specific term of years and thereafter distributes the remaining trust property to CGSC Foundation.	Create a trust that pays to CGSC Foundation a certain amount of income annually for a specific term of years and thereafter distributes the remaining trust property to one or more private beneficiaries.
How may you benefit?	<ul style="list-style-type: none"> • Estate tax charitable deduction is allowed that offsets the inclusion of the policy proceeds in your estate. • Immediate income tax deduction each year remaining premiums of the policy are paid. 	<ul style="list-style-type: none"> • Bequest is 100 percent fully exempt from estate and inheritance tax. • No limitations are imposed on the total amount that can be deducted when certain legal requirements are met. 	<ul style="list-style-type: none"> • Realize an immediate tax benefit from the charitable deduction without immediately forfeiting the right to current cash flow from the property contributed. • Receive a predictable amount of income during the term of the trust that could increase if the trust value increases. 	<ul style="list-style-type: none"> • Allows intrafamily transfers of property at substantial gift and estate tax savings. • Possible gift tax or an estate tax charitable deduction, thereby reducing your taxable estate.



Charitable Gift Annuity	Personal Property Gift	Real Estate Gift	Securities Gift	Retirement Plan Gift
<p>A contract with a charity whereby you transfer cash or property to the charity in exchange for the charity's promise to make fixed annuity payments to you during your lifetime.</p>	<p>A gift of tangible personal property, including works of art, antiques, valuable coin collections, rare books, and similar items.</p>	<p>A donation of real property, either in full or with a retained life estate.</p>	<p>A gift of appreciated stocks or mutual fund shares held for more than one year.</p>	<p>A contribution of your retirement plan assets, such as IRAs, 401(k)s, Keogh plans, and other qualified plans to a charity by naming the charity as the plan's beneficiary.</p>
<p>Transfer cash or other property to CGSC Foundation in exchange for our commitment to pay a specified amount each year for life.</p>	<p>Donate tangible personal property to CGSC Foundation that is in good condition, has potential education value, and is related to our tax exempt purpose.</p>	<p>Donate appreciated long-term capital gain or ordinary income property directly to CGSC Foundation.</p>	<p>Donate highly appreciated securities held for more than one year to CGSC Foundation.</p>	<p>Name CGSC Foundation as the beneficiary of all or a portion of your retirement plan assets.</p>
<ul style="list-style-type: none"> • Charitable contribution deduction for the gift portion of the amount transferred. • You are promised a specified lifetime income while obtaining significant tax reductions. 	<ul style="list-style-type: none"> • Immediate income tax deduction usually based on the appraised fair market value. • Avoidance of capital gains taxes. 	<ul style="list-style-type: none"> • Contributing appreciated property to a charity does not give rise to taxable gain, subject to limited exceptions. • Immediate income tax deduction for either the property's cost or fair market value. 	<ul style="list-style-type: none"> • Contributing appreciated securities to a charity avoids long-term capital gains tax. • Immediate charitable deduction for the full fair market value of the securities from your income taxes. 	<ul style="list-style-type: none"> • Significantly reduce estate and income taxes. • Ability to preserve other assets that carry less tax liability for your heirs.



Cash

While we appreciate and understand that your primary motivation in making a cash gift is to demonstrate your strong commitment to help support the CGSC Foundation, we think you should know that great tax benefits exist for those who do.

Charitable contributions of cash made to the CGSC Foundation are tax deductible for the full value of your gift if you itemize your deductions. This means a cash gift can reduce your taxable income and lower your tax bill.

A cash gift is deductible within the percentage limitations imposed on cash contributions. You can generally deduct cash gifts of up to 50 percent of your adjusted gross income. Cash gifts in excess of this limitation can be carried over and used for up to five additional years.

To make a cash donation, write a check, make an electronic fund transfer, or use your credit card. Click “donate” on our website making a one time, monthly, or annual contribution.

Benefits of a Cash Gift

- **simplest method of charitable giving**
- **immediate income tax deduction allowed for the entire amount of your gift**
- **no questions concerning the value of the contribution**



www.cgscfoundation.org/support-us/donate



George Marshall
Class of 1908



George Patton
Class of 1924



Dwight Eisenhower
Class of 1926



Colin Powell
Class of 1968



Life Insurance

An individual typically purchases life insurance to cover a temporary period, called the “dependency period.” This is the period of time when a family depends on the money from the income earner or earners to enjoy a certain quality of life. Perhaps your dependency period has passed, most likely because your youngest child is no longer dependent on you, yet you still have your life insurance policy in place.

If you are thinking of making a contribution to the CGSC Foundation, please do not overlook the use of life insurance policies for charitable giving. Contributing the proceeds of your life insurance policy is a rewarding way to make a significant gift with a great deal of convenience and little expenditure.

By changing the ownership and beneficiary of your policy to the CGSC Foundation, you could receive a number of tax benefits, including reduced estate and income taxes. If you choose to make future annual gifts of the policy’s premium, you will receive a charitable contribution deduction each year.

Benefits of a Life Insurance Gift

- **there are several different ways you can give your life insurance policy to charity, each with different tax benefits to you and the charity**
- **an outright contribution of all rights of in a life insurance policy may yield a substantial income tax deduction**
- **possible income tax deduction for the premium payments made**
- **possible estate tax charitable deduction**



Gordon Sullivan
Class of 1969



King Al Khalifa- Bahrain
Class of 1973



David Petraeus
Class of 1983



Pres. Yudhoyono- Indonesia
Class of 1991



Bequest in Will

Whether you are writing your first will or updating an existing one, we hope you will consider including a gift to the CGSC Foundation in your plans.

A bequest is one of the simplest ways you can leave a lasting legacy of your life and commitment to your community. You can give a stated dollar amount, specific property, or a percentage of your estate. It is very important you seek the advice of a professional when preparing your will, but we have included suggested text of an outright, unrestricted bequest as an illustration of just how easy it is to include us in your plans.

“I give, devise and bequeath to the Command and General Staff College Foundation, Inc., a non-profit corporation having its principal office at 100 Stimson Avenue, Suite 1149, Fort Leavenworth, KS 66027, for its general purposes the sum of _____ dollars.”

Please keep in mind the best part of a bequest is that it allows you to pass any amount you wish to a valued charitable organization free of estate tax. This means that with the proper planning, you can support the Foundation’s mission beyond your lifetime without giving up assets during your lifetime and also save on estate taxes after your death.

Benefits of a Bequest in Will

- **simple and complete escape from the estate tax**
- **deduction is allowed for the fair market value of the bequest property at the date of death**
- **no limitations imposed on the total amount that can be deducted**
- **the larger your estate, the greater your benefits are**



Charitable Remainder Trust

You may establish a charitable remainder trust, where you irrevocably transfer the ownership of your assets to a trust, and you and/or another beneficiary who you name receive(s) a set or variable amount of lifetime income from them—and the CGSC Foundation receives the remainder when the trust ends.

As its name implies, the intention of creating a charitable remainder trust is to provide a benefit to a charity. In addition to the satisfaction of leaving a gift today that will secure a benefit to the CGSC Foundation in the future, it provides many other economic benefits for you and your family to enjoy during your lifetimes as well, making it a key component of your estate plan:

- Avoid paying capital gains tax on gifts of appreciated property;
- Receive more income over your lifetime than if you had sold the asset yourself;
- Provide guaranteed fixed income that could increase if the trust value increases;
- The fixed income received is often greater than the yield on contributed assets;
- An immediate income tax deduction in the year an asset is transferred to the trust;
- Possible reduction in estate taxes; and
- The trust's assets can be managed by experienced trust professionals, relieving you of this burden.

A Charitable Remainder Trust allows you to...

- **obtain a current income tax deduction**
- **receive fixed or variable income for life**
- **have flexibility in the timing of income distributions**
- **incur no capital gains tax on the disposition of appreciated assets**
- **obtain a possible reduction in estate taxes**
- **establish legacy support for the Foundation**



Charitable Lead Trust

Do you want to fulfill your philanthropic goals while also ensuring that your heirs receive their inheritance at a lower estate tax? Creating a charitable lead trust supporting the CGSC Foundation is an attractive way to accomplish these goals.

A charitable lead trust works similar to a charitable remainder trust, except that now the CGSC Foundation receives the set amount of fixed income for a period of years, and then you or your family receives the remainder when the trust ends. This can significantly reduce your heirs' tax liabilities. The tax savings from a charitable lead trust may allow you to provide significant support for the CGSC Foundation through annual income payments, while also transferring property to your heirs at little or no tax cost.

A charitable lead trust shelters investment earnings from tax, reduces your taxable gift and estate taxes, as well as offering generation-skipping tax benefits.

Benefits of a Charitable Lead Trust

- **generous way to support CGSC Foundation with regular, dependable gifts**
- **wonderful tool to transfer assets to your heirs at a reduced gift and estate tax cost**
- **receive a gift tax deduction if the trust is established during your lifetime**
- **receive an estate tax deduction if the trust is established at your death**
- **very beneficial to individuals whose annual income will be significantly reduced in future years**



Charitable Gift Annuity

Want to enhance your income during your retirement years? Better yet, do you want to be able to do this partially tax-free?

A charitable gift annuity is a way for you to make a gift to the CGSC Foundation and still secure a steady stream of partially tax-free income for yourself, your spouse, your children, or other beneficiaries you may choose. It combines both charitable giving and financial investing.

A charitable gift annuity allows you to transfer cash or other property to the CGSC Foundation in exchange for a charitable income tax deduction and our promise to make fixed annual payments to you and/another beneficiary for life or for a set number of years. When the last income beneficiary dies or the trust ends, the remaining assets are distributed to the Foundation.

If you itemize your deductions, you can take a partial charitable deduction in the year the assets are transferred that can result in significant tax savings. Additionally, you can avoid up-front capital gains tax on long-term appreciated assets used to fund the trust.

Benefits of Charitable Gift Annuities

- **guarantee a fixed income for life**
- **immediate income tax deduction for a part of your gift's value**
- **avoid up-front capital gains tax on long-term appreciated assets**
- **favorable taxation of annuity payments**



Personal Property

Do you own any treasured items that can be directly used to advance the CGSC Foundation's tax-exempt purpose? Gifting your personal property, such as antiques, artwork, collectibles, and rare books, may entitle you to a charitable deduction based on the gift's full fair market value. While gifts of tangible personal property are handled on a case-by-case basis, it is the policy of the Foundation to sell gifts of personal property. By contributing your property to us, instead of selling it yourself, you do not recognize the capital gain on the appreciation of your item. We will make sure the proceeds from the sale of your gift further the mission of the Foundation and that others learn and benefit from your treasures for years to come.

It is important to point out that some gifts of personal property require a qualified appraisal. If you are thinking of gifting us any of your personal property, but are unsure of any tax or valuation issues, we recommend you contact a qualified attorney or tax accountant.

Benefits of Personal Property Gifts

- **immediate income tax deduction usually based on appraised fair market value**
- **avoidance of capital gains taxes**
- **avoid up-front capital gains tax on long-term appreciated assets**
- **gift can be timed to take advantage of changes in market value**



Real Estate

Making a gift of real estate can yield significant tax savings, while still demonstrating your strong commitment to help support the CGSC Foundation. You would receive an immediate income tax deduction for the fair market value of the gift, plus you can avoid capital gains tax and reduce your estate and property taxes.

For real estate gifts, the annual limitation on the use of charitable contributions claimed for gifts to charitable organizations is 30 percent of your adjusted gross income. Any unused deduction can be carried forward for up to five additional years, giving you six full years to use the deduction.

Gifts of real estate can include a personal residence, farm, vacation home, commercial buildings, and income-producing land. What this means is you could remain living in your home, receive charitable deductions, and make a gift to benefit the CGSC Foundation, all at the same time!

Gifts of real estate may be contributed as outright gifts, a retained life estate, a contribution to a charitable remainder trust, or may be gifted to the CGSC Foundation through your will. The CGSC Foundation can provide you with more details.

Benefits of Real Estate Gifts

- **usually better to donate appreciated long-term capital gain property directly to a charity than to sell the property and contribute the proceeds because you can avoid all capital gains tax**
- **immediate income tax deduction for the value of your property**
- **reduce your estate and property taxes**



Securities

Gifting appreciated securities is one of the most popular ways of giving because they offer an easy and tax-efficient way of making a lasting contribution to the CGSC Foundation. You will receive a triple tax benefit when you gift long-term appreciated securities to us. You receive an immediate charitable income tax deduction, you avoid capital gains tax, and a reduction in potential estate taxes.

The following table is an example of the tax savings you can receive from gifts of securities versus a gift of cash.

Gifts of Stock vs. Gifts of Cash

	<i>Gift of Stock</i>	<i>Gift of Cash</i>
<i>Value of the gift</i>	\$100,000	\$100,000
Income tax savings (25% tax bracket)	\$25,000	\$25,000
Capital gains tax savings (15% on \$80,000 gain)	\$12,000	\$0
Total tax savings	\$37,000	\$25,000

Benefits of Gifting Securities

- **avoid all capital gains tax**
- **immediate income tax deduction for the value of your securities**
- **reduction in estate and property taxes**



Retirement Plan Assets

You may have accumulated significant savings in one or more tax-deferred retirement accounts, such as 401(k) and 403(b) plans, Keogh plans, IRAs, tax-sheltered annuities, or other employee retirement plans. If you wish to reduce income and estate taxes and are considering leaving a gift to the CGSC Foundation, we would like you to know that gifting all or a portion of your retirement accounts to us can make good estate planning sense.

If your cash flow is preventing you from leaving a lifetime gift, consider making a charitable gift after your death. This method will fulfill your philanthropic wishes, while also saving your loved ones up to 70 percent in income and estate taxes. This can be done by designating the CGSC Foundation as the beneficiary of your retirement account. This removes the value of the assets from your taxable estate and no income tax is paid because the Foundation is a tax-exempt corporation.

For example, if you own an IRA that has a value of \$50,000 at the time of death, and you designate your children as beneficiaries, they will have to pay income taxes on the IRA, in addition to any estate taxes that might be owed. They would likely only receive a net benefit of \$20,000, depending on their income tax bracket. By gifting the IRA to CGSC Foundation, all of the income taxes are avoided and we would receive benefit from the full \$50,000.

Benefits of Gifting Retirement Plan Assets

- **quick, flexible, and hassle-free way to make a gift—simply fill out a “Change in Beneficiary Designation” form**
- **ability to leave your heirs less costly inheritances**
- **remove the value of your retirement assets from your taxable estate**
- **no income tax paid on the gift to the CGSC Foundation**



Year End Giving

We recognize that when you make a planned gift, your primary motivation in doing so is your belief in our mission, and rarely in consideration of various tax consequences. While we understand and appreciate the important role that our mission serves in your decision whether to give, we also believe that any individual making contributions to a charity should be mindful of the tax laws that are applicable to charitable giving, and the myriad affects those laws can have as a result of your gift. The timing of a contribution is one of these tax considerations.

For those who elect to itemize deductions on their tax returns, charitable contributions are only deductible in the year they are actually made. As a donor, it is important to keep in mind that a central policy of many tax laws is to intentionally encourage charitable giving. Therefore, as the year draws to a close, now is the time to reflect and make those gifts you have been thinking about all year long. You have the opportunity to not only demonstrate your belief in our mission, but to improve your own financial position in doing so.



The official crest of the U.S. Army Command and General Staff College was adopted in 1907 and later revised in 1925. The three lamps symbolize study and learning and are representative of the Regular Army, the National Guard and the Army Reserve. The motto "Ad bellum pace parati" means "Prepared in peace for war."



The Leavenworth Lamp is the traditional lamp of learning symbolizing the knowledge acquired at the College. Emerging from the top of the lamp is a mailed fist symbolizing the military nature of this knowledge. Clenched in the fist are a rifle and a sword, connoting the origin of the College in 1881 as the School for Application of Infantry and Cavalry, and a guided missile symbolizing the future. The entire symbol thus represents the idea that from the College emerge leaders who, with their knowledge and control of the past, present, and future weapons of war, protect our liberty.



Get Started

Your loyal support makes it possible for the CGSC Foundation to fulfill its mission to the U.S. Army Command and General Staff College. Your contributions go directly to supporting the programs established and to help develop other programs for future implementation.

CGSC Foundation wants to make sure all your philanthropic and financial objectives are met in the most advantageous manner. Therefore, before making a planned gift to the CGSC Foundation, you should have your CPA, attorney, or other financial planning advisor help you understand the impact of your gift on your current cash flow needs and your income tax return and estate.

To learn more about the Command and General Staff College Foundation or the 1881 Legacy Society, call Maria Koreckij, Director of Finance and Administration, at (913) 651-0624. You can also visit us at our website at www.CGSCFoundation.org.

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