

Could a 10 Plan be the answer for you?

What is a 10 Plan? A 10 Plan is a strategy that returns to you or your estate one-tenth the appraised value of the real estate sold to the Foundation every year for a minimum of 10 consecutive years.

What is the process? The property is first toured and evaluated by the Foundation's Planned Giving Committee. Once the committee decides that this property has potential for resale, the committee requires a qualified appraisal and a full property inspection.

The McKinney 10 Plan Bob and Patty McKinney thought the 10 Plan might be a good option for them.

"By reading the St. John Medical Center Foundation publication, I became aware of the work of the Foundation in the field of charitable donations. In particular, the 10 Plan was attractive to our situation



Bob and Patty McKinney

and called for investigation. So, after talking to friends who were either in the plan or were very familiar with the plan, we arranged to meet with the Foundation's professional staff," says Bob.

Technically known as a charitable installment bargain sale, it produces a current income tax deduction for the donor of about one-third of the appraised value. If the donor cannot use all of the charitable tax deduction in the year of the transfer, he or she can carry it forward for a period of five years.

In the McKinneys' case, the property was their Longview apartment complex on 10th Avenue, which appraised for \$235,000. After the McKinneys and the Foundation agreed on the appraised value and the terms, they went to closing to officially

transfer the deed. The McKinneys received their first check for \$23,500 one year after the closing and will continue to receive payments each year thereafter until the contract is completed.

"The 10 Plan creates a substantial charitable donation to the Foundation. The endowment will help provide ongoing support for various programs and projects at the hospital for many years into the future," Patty says.

Could this be right for you? "This really works for folks who have owned investment property for many years and have come to the point where they're tired of management responsibilities but are leary of selling because of the penalty capital gains tax associated with the sale," says Pat Sari, Foundation president and co-chair of the Planned Giving Committee. "In the typical 10 Plan strategy, a portion of the capital gains tax is forgiven, and the balance is payable over the life of the arrangement rather than at the time of the sale."

Bob McKinney has this advice: "This strategy may not fit everyone's situation, but if it does, we suggest that you arrange to meet with the Foundation's professional staff and explore it. We found the staff to be very knowledgeable and easy to work with."



Pat Sari,
Foundation President

Thank you!



The partnership between the Health Care Foundation and St. John Medical Center will continue to benefit citizens in the Lower Columbia Region. Once again, the basic health plan sponsorship program at St. John will receive a very generous matching grant of \$60,000.

The Health Care Foundation Board is very aware of the plight of our community and continues to make a difference in the lives of those less fortunate. We are very grateful for the Health Care Foundation's continued support.