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Trimming taxes

Seeking to cut taxes, donors consider year-end gifts

Donors should consider their tax situation and possible deductions in planning last-minute charitable giving.

By EMILY BREWER

The dwindling days of 1998 promise to prompt taxpayers looking to save on their tax bills to consider making quick gifts to charity. But donors need to make some careful calculations first, say financial advisers.

"If you want to get a tax deduction on your 1998 taxes, you need to make your gift complete by midnight on

Dec. 31," says Ranlet Bell, a tax attorney with the firm Womble Carlyle Sandridge & Rice in Winston-Salem. "Ideally, you should get it to the charity in enough time for them to cash and record it."

The end of the year often is a busy time for charities and foundations as donors seek ways to trim tax bills.

Nearly half of the 70 funds established last year by the Triangle Community Foundation were set up in the month of December.

Community foundations can be very helpful to donors looking to round out their giving for tax purposes, and needing to do so swiftly, says

TAX PLANNING

Fred Stang, associate director of the Triangle Community Foundation.

"If it's getting to be near the end of the year, and your accountant or tax adviser has suggested you make gifts of appreciated securities, instead of scurrying around trying to find someone to give it to, you can gift the securities to a donor-advised fund at a community foundation," says Stang. "For tax purposes, the tax event has occurred and you have the leisure to decide how to grant those dollars out

when ever you're ready."

Gifts of stock that have increased in value offer the biggest tax breaks, says Stang, because a donor receives not only a charitable deduction based on the fair market value of the gift, but also avoids capital gains tax on the increased value.

Heather Linton, an accountant in Durham, suggests people talk to their accountants to help them calculate their projected tax liability and how to plan their giving.

Linton encourages people to look at their entire financial situation before making donation decisions.

She offers the following sugges-

tions in these areas:

Tax rate bracket considerations

Donors should consider whether they may be in a higher tax bracket this year or next year. They should consider making charitable contributions in the year in which they are in a higher bracket.

Gifts of appreciated stock

Appreciated stocks could fall under heavy capital gains taxes if sold, but when given to charity can yield income tax deductions and avoid capital gains taxes.

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Is it working?

Center looks at UNC system governance

The first installment of a four-part study of the governance of the 16-campus system will be published next month.

By MICHAEL R. HOBBS

The North Carolina Center for Public Policy Research is conducting a wide-ranging study of the way the 16-campus University of North Carolina system is governed.

The study is being funded by a \$200,000 grant from the W.K. Kellogg Foundation as part of the foundation's efforts to assess American higher education.

The first installment of the four-part study will be published by the center next month, says Ran Coble, director of the Raleigh-based center.

The first installment will examine the history and the issues surround-

ing the formation of the UNC system, Coble says. Future installments will look at higher education governance structures used in other states, how members of the UNC system's Board of Governors are selected and the powers of the board, and the performance of the board and issues facing the UNC system.

Dozens of people associated with the UNC system and its formation already have been interviewed for the project.

"We're asking them what were the issues then and we're trying to do some good thinking about which of those issues speak to us today," Coble says.

Findings from the study should help guide policymakers in North Carolina and in other states who face questions concerning the management of their public universities, says

John Burkhardt, the Kellogg Foundation's program director in higher education leadership.

"We didn't see this study as being a kind of dead-end tunnel," Burkhardt says.

It also seemed to be an appropriate time for an evaluation of the system in part because of its recent change in leadership with the appointment of President Molly Broad in 1997, he says.

The UNC system was established after the General Assembly in 1971 passed legislation to consolidate North Carolina's public universities. The system is guided by a board that has 32 voting members who are selected by the legislature.

The second portion of the study, expected to be completed in February,

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United Way chapters set fundraising records

By PATTY COURTRIGHT

It's turning out to be a good year for United Ways in North Carolina.

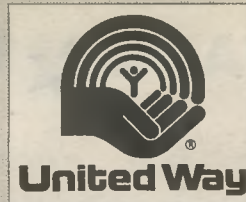
In the Charlotte area, United Way of Central Carolinas, Inc., broke its fundraising record, raising \$29.15 million — 10 percent more than that raised last year.

In the Research Triangle area, the Triangle United Way also broke a record, generating \$22.33 million, an 11.7 percent increase

over the money raised in 1997. "This is a campaign in which both the largest and smallest of

companies gave significantly," says Bill Peck, vice president of resource development for Triangle United Way. "Also, we had a significant number of new participants this year. The last record shows 12 to 15 new campaigns, which we suspect will contribute a total of \$100,000 in

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Donated computers reborn as new tools

By LAUREN MATTHEWS

Securing a donated computer can be a tough job for people working at nonprofits.

Fewer than 5 percent of all personal computers are donated to schools and nonprofits, according to Dataquest, a market research firm based in San Jose, Calif.

What's more, soliciting contributed computers may not be the best way for nonprofits to address their technology needs. Computer prices have fallen sharply in recent years, making more powerful new and used

computers more affordable.

It also can be difficult, if not impossible, to get technical support from manufacturers for donated computers.

Still, by following some basic steps, you may be able to take advantage of opportunities to land contributions of the hardware you need.

First, decide what you want and what you can use, and understand that the two may differ.

The key to obtaining computers, says Paul Foldes, president of InterHelp, Inc., an Alexandria, Va.-based technology consulting firm, is

being flexible and creative and not unrealistic in your expectations.

While a powerful model may be attractive, a more modest version may be perfectly suitable, he says.

Personal computers come in different grades based on the speed of their processors. In ascending order of the size of their processors, or brains, they are known as 286s, 386s, 486s, Pentiums and Pentium IIs. Most computers that are donated tend to be either 386s or 486s.

Tech News, a United Way publication for human service organizations, urges nonprofits to "avoid 286s for

anything other than basic training, text-based telecommunications such as electronic mail, simple word processing or other relatively undemanding uses."

With the right software, a 386 will let you surf the Web and perform other functions. Software that can run on a 386 may have fewer features than more recent software, and will be slower.

A 486 has more memory and speed than a 386 and less than a Pentium. It can support more recent software than a 386 and might be more useful than a 386 for applica-

tions such as graphing.

Once you have decided what you want and need, the next step is to find an organization that recycles and/or donates computers. (See a list of donors and clearinghouses on the Web at <www.pj.org/technology/computerrecycle1.cfm>.)

Check for groups in your area. Many computer recyclers have limited budgets and are unable to pay to ship computers so they prefer to serve nearby nonprofits that can pick them up.

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