SAINT FRANCIS
SERVICE DOGS

Considering a Planned Gift

Planned giving allows donors to invest in the future of Saint Francis Service Dogs. Please review the information below as you consider establishing your gift, and contact us with any questions about how we can help you strategically accomplish your future financial and charitable objectives.

Who can make a planned gift? Anyone with a desire to give can make a planned gift. Generally, donors give assets like IRAs, securities, real estate, insurance benefits and cash. Many are surprised to learn how easy it is to create a lasting legacy that can preserve the family name, honor loved ones, support a favorite nonprofit, and minimize tax burdens and/or support the community they call home.

What good work can I do with my planned gift? Your gift will allow Saint Francis Service Dogs to grow and continue to create independence for people with disabilities through partnership with a service dog for generations to come. Often donors find it most satisfying to provide a gift with flexibility. By making an unrestricted gift, you ensure that your gift will provide the maximum benefit to our mission. Your planned gift can be directed to any of the Saint Francis Service Dogs existing funds or, with a bequest or gift of at least $100,000, a new named fund can be established.

How will the proceeds of my named fund be used to benefit Saint Francis Service Dogs? Saint Francis Service Dogs will invest the principal of your gift and direct annual earnings toward the general operating expense of our services.

When should I include the gift in my estate plan? Anytime you are drafting or changing your will or estate plan, you may want to consider charitable legacy gifts. Your financial or legal advisor can provide professional guidance related to your specific estate, beneficiaries, income goals, taxes and other considerations.

How do I plan an estate gift? Call your financial advisor, estate planner, and notify Saint Francis Service Dog's Director of Philanthropy. Giving a planned gift is simple:

- You include a bequest or planned gift to Saint Francis Service Dogs in your will and notify us.
- Upon your death, we establish a fund in the name you have chosen (minimum of $100,000) or direct your gift to the Saint Francis Service Dog fund that you have recommended.

How do I notify Saint Francis Service Dogs of my planned gift? The process is very simple. Once you have made provisions for naming Saint Francis Service Dogs as a beneficiary, please complete the enclosed Bequest Notification Form that clarifies your commitment and communicates your wishes. Some donors also work with us to prepare a memorandum of understanding. While it is not required, it does allow you to further clarify your intent for your planned gift. As an additional alternative, some donors decide to establish a fund during their lifetime. It allows them to begin seeing the impact of their giving and serves as the repository of their future planned gift.

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PLANNED GIVING OPTIONS

Charitable Bequest:
This is a provision in a will, trust, or estate plan that allocates a gift to a designated charity. The most common gifts to nonprofit beneficiaries are cash, securities, and real property including homes and personal property (things). Many wills and trusts are still written with quite formal language and might be similar to this example: "I give, bequeath, and devise the sum of fifty-thousand dollars ($50,000) to “Named Non-Profit”, located at 123 Main Street, City, State." The most common gift amounts are usually stated in one of the following ways: a) A specific amount, such as the example above. b) A percentage amount, such as “. . . Ten percent (10%) of my estate to “Named Non-Profit” . . .” c) A remainder amount also called “residue,” such as “After all specific bequests have been paid, I give, bequeath, and devise the remainder of my estate, including real and personal property, to “Named Non-Profit.”

Contingent Bequest:
This is a provision in a will, trust, or estate plan that allocates a gift to a designated charity assuming another condition is met. Contingent bequests can also incorporate specific amounts, percentage amounts, or remainder amounts, such as the examples above, within them. For instance: “In the event that (named individual) predeceases me, I give “Named Non-Profit”, 2345 Main Street, City, State, 25% of the residue of my estate to be used wherever the needs and opportunities are greatest.”

Non-probate Transfer Assets:
Half of all states in the U.S. now allow the use of *“Transfer on Death Deeds” that provide for the transfer of real estate directly to another person or charity-by-passing the probate process. Savings and checking accounts, money market and other investment funds including retirement funds and life insurance policies with built-up savings also allow non-probate transfers. (*Virginia recognizes these types of deeds under Virginia Code § 64.2-624.)

Securities:
Used for planned gift purposes, “securities” is a general term that includes the following: shares of corporate stock or mutual funds, bonds issued by corporations or governmental agencies, stock options or other options, limited partnership units, and various other formal investment instruments that can be exchanged for money.

Non-Cash Asset:
When related to an outright gift or a planned gift, this term usually refers to an asset such as securities, life insurance policies, CDs, retirement accounts, real property, and the like. Conversely, gifts of currency and checks, as well as gifts using credit cards, are considered cash or cash-equivalent assets.

Charitable Gift Annuity:
This is an irrevocable transfer of property (e.g., cash, securities) in exchange for a contract to pay the donor or the donor’s designee an annuity for life. Depending on state law, payments could begin immediately or may be allowed to be deferred until a future date. Because the value of the property exceeds the value of the annuity, it is partially a gift to the charitable institution. While most charitable gift annuity contracts are established between the donor and the organization to receive the remainder gift amount, community foundations have been given permission from the IRS to issue such gift annuity contracts on behalf of other qualifying charitable organizations. Additionally, there are different types of charitable gift annuities, and not all states permit the use of each type. Explore a fuller list of charitable gift annuity types and versions of agreements, as well as state regulations, on the Web at the American Council on Gift Annuities website at: http://www.acga-web.org.

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Charitable Remainder Trust:
This is an irrevocable trust that pays a specified annual amount to one or more people for a fixed period of years as determined and stated in the trust document.

Charitable Remainder Unitrust:
A charitable remainder unitrust pays out a fixed percentage of the trust value each year as determined and stated in the trust document. The value of the unitrust is recalculated annually to determine the current payout.

Charitable Lead Trust:
This is similar to a charitable remainder trust, except that the annual payments are given to a charitable organization and the principal reverts to the donor or to his or her designated beneficiaries at the end of the trust term. If the principal reverts to the donor, he or she gets a charitable income tax deduction; if to another, that person gets a charitable gift tax deduction.

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Saint Francis Service Dogs

Additional Terms

Adapted from A Glossary of Planned Giving Terms: Katherine Swank, J.D., Senior Consultant, Target Analytics, a division of Blackbaud

Income or Current Beneficiary:

This is the person(s) or entity(ies) that receive(s) the current income or distributions from a trust according to its terms.

Remainder Beneficiary:

This is the person(s) or entity(ies) that receive(s) the remaining assets from a trust when its controlling terms have been met or its term of years for existence has come to an end.

Life-Income Gifts:

A generic term used to describe a variety of charitable gift vehicles that provide an income, usually for life, to a donor and/or his or her designated beneficiaries. Life income gifts include, among other things, charitable gift annuities, charitable remainder trusts, both unitrust and annuity trusts, and charitable lead trusts.

Split Interest Gifts:

These gifts, usually involving property or business interests, start with the idea of making a partial gift of an asset to charity while still retaining a partial interest in it. Because the donor retains some portion of the assets or the income from the assets, the term “split interest gift” is derived. The “split” refers to the fact that ownership is now divided between the original owner and - in our case - a charity. Splitting the interest creates a problem in determining the value of the portion given to charity (gift portion) and the value of the portion which was kept (retained interest).

Present Value:

The value that a gift expected in the future would be worth today. A future gift of $100,000 is not as valuable as a gift of $100,000 today due to factors such as inflation, currency fluctuations, and investment risk. Financial advisors may use the phrase time value of money, referring to the way the value of money changes over time. The present value of a gift of $100,000 to be received fifteen years from now, given a 3% discount, would have a present value of only $64,186.19. 22)

Fair Market Value:

This is an estimate of what a willing buyer would pay to a willing seller, in a free market, for an asset or a piece of property.

Cost Basis:

This term generally means the purchase price of an asset or property. An asset’s value will change over time and can therefore appreciate or depreciate from its original cost basis. Its value at the time of gifting would be classified as appreciated if it was worth more than was paid for it. Conversely, it would have depreciated value if it was worth less than was originally paid.

Capital Gains:

When investment (or capital) assets are held for longer than a year and then sold to another person or given to a charity, the gain or appreciation in the value of the asset may be subject to government taxation on the gain (or profit). When property subject to capital gains tax is donated to a nonprofit institution, that is tax-exempt, capital gains normally imposed might be avoided by the donation. If the price of the asset has declined instead of appreciated, this is called a capital loss. Property with a capital loss is subject to different taxation rules by the I.R.S. and proposed gifts with property where a capital loss exists should be dealt with differently than those with a capital gain. Capital gains and capital loses occur in both real assets, such as property, as well as financial assets, such as stocks or bonds.

Saint Francis Service Dogs encourages all donors to seek the assistance of personal legal and financial advisors in matters relating to their estate planning.