

MAKING A DIFFERENCE THROUGH PLANNED GIFTS



Heart of the Catskills Humane Society
Planned Giving



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www.heartofthecatskills.org

THE HEART OF THE CATSKILLS HUMANE SOCIETY PLANNED GIVING PROGRAM

The Heart of the Catskills Humane Society (“HCHS”) has established a “Planned Giving” program to provide our humane society supporters with several options that allow them to establish a legacy on behalf of their families, their pets and those less fortunate animals that are still waiting for their “forever homes.” The Planned Giving program offers numerous financial and tax advantages to those who participate and, furthermore, can offer donors an opportunity to support HCHS in ways that might not be possible at present. Notably, most of the significant improvements made at the shelter over recent years, such as our building additions in 2005, were made possible by Planned Giving. Furthermore, given the ever-increasing costs of operating the shelter, currently over \$1,250 per day, HCHS must rely more heavily than ever on the generosity of individuals who include us in their long-term financial and estate plans.

What is Planned Giving?

Many people believe that the only way to support HCHS financially is through outright gifts of cash or other property that they currently have. While current donations are vital to HCHS’s survival, they are not the only way to give. Planned Giving is a unique, and often overlooked, tool that not only allows shelter supporters to ensure that HCHS’s work will continue into the future, but also helps them to fulfill both their charitable and financial objectives.

Planned gifts include, but are by no means limited to:

- bequests included in wills
- living trusts
- other types of trusts
- gifts of life insurance
- gifts of retirement plan assets

These gifts could take the form of cash, stock, bonds, personal property, life insurance and real estate. While this brochure provides an introduction to the benefits of Planned Giving, both to you and HCHS, you should consult with your legal and financial advisors if you are interested in participating in the program.



Wills and Living Trusts



Including HCHS in your will or trust is a meaningful way to ensure that HCHS will be able to continue to provide shelter and medical care for as long as there are stray and unwanted animals in our area's communities. Leaving HCHS in your will is as simple as it sounds. Naming HCHS as a beneficiary of assets that you contribute to a living trust works much the same way, but offers certain advantages such as control of the trust during your lifetime and the immediate effectiveness of the gift upon your death, bypassing probate and keeping the terms private.

There are many ways that you can give to HCHS through your will or trust, which include (i) leaving a specific dollar amount, (ii) designating that a specific percentage of your estate be given through your will or living trust, (iii) giving the remainder of your estate, meaning that which remains after bequests of specific amounts or property have been made to your loved ones, and (iv) providing for a gift of specific property, such as real estate, stocks, bonds or other property. Furthermore, you may designate that your gift be used for HCHS's general purposes, helping to pay the ever-increasing costs of keeping the shelter's doors open, or go to support a specific project or program.

Giving through your will or a living trust may offer tax or other financial advantages for you or your estate, such as the reduction (or elimination) of estate taxes. Furthermore, giving in this way is relatively easy.

A bequest could be as simple as:

I give and bequeath to The Humane Society of Central Delaware County, Inc. (d/b/a Heart of the Catskills Humane Society), a not-for-profit corporation, with principal offices presently located at 46610 State Highway 10, Delhi, New York 13753 (Federal Tax ID # 23-7023530), the sum of \$ _____ to be used for the accomplishment of its general purposes [or for a specific purpose, to be indicated].

Again, however, as with any form of Planned Giving, HCHS urges you to consult with your legal and financial advisors if you are considering giving to HCHS through a will or living trust.

Gifts of Retirement Assets

You can also give the investments in your IRA, 401(k) or other retirement plan to HCHS. Contributions that you have made over time to such a plan have been growing tax-free. If you leave them to an individual, the funds may be subject to both estate and income taxes, which could cut greatly into the value of the accounts. On the other hand, if you leave them to a charity, like HCHS, these taxes generally do not have to be paid and the charity benefits from every dollar of your gift. For instance, a gift of retirement assets recently made by one generous individual enabled HCHS to purchase and install a ventilation system for our shelter, a needed improvement that was otherwise prohibitively expensive.

It is relatively easy to name HCHS as the sole or partial beneficiary of your retirement plan assets, and your plan's administrator can provide you with the necessary forms.

Gifts of Life Insurance

Many people do not realize that they can use life insurance to provide support to their chosen charity in ways that their current finances might not allow. In fact, life insurance can be not only one of the easiest forms of Planned Giving, but one of the least costly to you. There are a number of ways that life insurance can be used to support HCHS's work and to magnify your out-of-pocket donation many times over.

Naming HCHS as a Beneficiary

Just as you can choose to name an individual as the sole or partial beneficiary under a life insurance policy, you can do the same for HCHS. You can name HCHS as a beneficiary under a new policy, or change the designation of beneficiaries under an existing policy to include HCHS, all without preparing or changing a will or changing other aspects of your estate plan. Your insurance company can provide you with the necessary forms.

Making HCHS the Owner and Beneficiary

Beyond making HCHS the beneficiary under a new or existing life insurance policy, you can actually take out a policy and make HCHS both the owner and beneficiary of the policy. One of the benefits of this form of giving is that, depending upon your particular tax situation, you may be able to take an income tax deduction for the policy premiums, which can be paid directly by you or by HCHS (funded by your annual gift to HCHS).

Giving HCHS a Paid-Up Policy

If you have a life insurance policy that has accumulated savings, or cash value, over time and has been paid up in full, you can transfer ownership of the policy to HCHS, which could then surrender the policy for its cash value. In that case, you may be eligible for an immediate income tax deduction for the gift of the policy in the amount that you paid for the policy.

Other Forms of Planned Giving

Forms of Planned Giving are by no means limited to the options discussed previously. For instance, if you want to avoid capital gains tax on the sale of your home or other property and also take an immediate income tax deduction, you might consider donating the property to HCHS, or possibly selling it to HCHS at a bargain price. Or, if you wanted to donate your home during your lifetime (so that you could take an immediate tax deduction), but needed to remain in your home, you could donate the property to HCHS, but retain a life estate. This means that, while ownership of your home would pass to HCHS during your lifetime, you could continue to live there and use it exclusively for the rest of your life, while enjoying the tax benefits of the gift.

There are also numerous types of trusts that you could establish that accomplish such goals as (i) providing you with a set annual income, with the remainder passing to HCHS upon your death, or (ii) providing a fixed or variable income to HCHS during your lifetime, with the remainder passing to you at some point in the future, or to your heirs upon your death. Depending upon the type of trust you choose, benefits could include immediate income tax deductions, a reduction in estate taxes, and fixed income for life (or, in some cases, with the potential to increase). Your legal and financial advisors would be able to help you establish the type of trust that meets both your personal financial goals and your goals in supporting HCHS.

In short, you will find that the forms that your planned gifts can take are limited only by your individual objectives and your advisors' and your creativity.

Seeking Professional Advice and Keeping Up-to-Date

The purpose of this brochure is to provide supporters of HCHS (and their legal and financial advisors) with an overview of what Planned Giving is and what forms it may take. Importantly, this is not intended to be, nor should you treat it as, legal, financial, accounting or other professional advice. Again, if you are considering these or any other forms of Planned Giving, we encourage you to consult with your legal and financial advisors. Whether or not the financial and tax benefits discussed above will apply to you will depend upon your particular financial and tax planning picture.



Furthermore, if your personal or financial circumstances change after you have made a planned gift to HCHS, you (with your professional advisors) should check to make sure that the particular form of giving that you chose continues to meet your personal and charitable goals. For example, the birth of a child or grandchild, a death in the family, a move to another state, a change in marital status, or even a change in the value of your home or other assets may warrant a review of your planned gift. In addition, changes in

tax laws over time may have an effect on the benefits of the form(s) of Planned Giving you have chosen.

If you do decide to make a planned gift to HCHS, we suggest that you include the following information in all bequests or beneficiary designations:

Name: The Humane Society of Central Delaware County, Inc.
(d/b/a Heart of the Catskills Humane Society)
Address: 46610 State Highway 10, Delhi, New York 13753
Telephone: (607) 746-3080
Federal Tax ID #: 23-7023530



Finally, if you do include HCHS in your estate or other long-term financial plans, we would appreciate it if you would let us know.

Additional Information

If you would like to obtain further information about HCHS, the animals we care for, the services and programs we offer, or Planned Giving, please contact our Director of Shelter Operations at (607) 746-3080 or info@heartofthecatskills.org. Also, please visit us at our website – www.heartofthecatskills.org.

HCHS is a not-for-profit corporation established under the laws of New York. Since it maintains tax-exempt status under Section 501(c)(3) of the Internal Revenue Code, bequests and other contributions to HCHS qualify for certain charitable tax deductions in computing federal income, gift and estate taxes. HCHS's federal tax identification number is 23-7023530. You should consult your legal or financial advisor regarding the state and federal tax advantages of charitable giving.





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