

# Planned Giving Program



THE POLLY HILL ARBORETUM

# What Is Planned Giving

- From the donor's view
  - Their ultimate gift to PHA
  - Consider retirement & estate plans
  - Believes in PHA, Mission and Important Work
  - Tax advantages, depending upon the type of gift
- From PHA's view
  - Enriches donor's relationship with the Arboretum
  - Larger gifts
  - Provides present and future value, depending upon the type of gift

# Potential Planned Gifts at PHA

- Charitable Remainder Trusts
- Charitable Lead Trusts
- Real Estate
- Life Insurance
- Beneficiary designations
- Bequests (simplest method)

# Charitable Remainder Trusts For The Recession

- For a few years, not for life
- Bullish
  - Revalue portfolio at low prices
  - Enjoy rising income through recession
  - Gift to the Arboretum
- Bearish/Uncertain
  - Gift in trust
  - Enjoy fixed income through recession
  - Gift to PHA
- Current restricted net asset for Arboretum

# Charitable Lead Trusts For The Recession

- A temporary private foundation
  - Money to heirs
    - Little or no transfer tax
  - Take advantage of low discount rate
  - Annual grants to PHA through recession
  - Remainder to heirs in a few years
  - No additional gift or generation-skipping tax calculation
  - For the bears
- Immediate income for Arboretum

# Real Estate

Two ways to do it

- Outright gift
  - Considerable due diligence
  - PHA use or sell
  - Can be quite a valuable gift
- Retained life estate
  - Considerable due diligence
  - Donor lives and maintains for life
  - A current net asset for PHA
  - At death, transfer by deed

# Life Insurance

Two ways to do it

- PHA as beneficiary
  - Revocable
  - No tax advantages
  - Not an asset for PHA
  - A large gift at the donor's death
- PHA as owner
  - Irrevocable
  - Income tax deduction
  - Donor deducts all premium payments
  - Arboretum net asset-increasing cash surrender value
  - A large gift at the donor's death

# Beneficiary Designations

- Any asset that has a death benefit
  - Retirement account
    - IRA, 401(k), 403(b), SEP
  - Pension plan
  - Bank & brokerage accounts
- Revocable Living Trusts
- One asset for family & PHA



# Bequests

- Popularity #1
- Only gift by will
- Likely from modest estates
- Yes, can be made irrevocable
- Help with estate tax?
- Income tax, no deduction
- Lifetime cost zero
- Chance to give to the PHA

## **Importance of Bequests**

Providing a bequest to the Polly Hill Arboretum is a meaningful way to ensure that its varieties of plants and many specialized programs continue to grow and thrive.

The Arboretum uses planned gifts as you designate. If you specify a bequest be treated as endowment, the funds will be invested and grow over time.

## **How to Make a Bequest**

You make an unrestricted bequest to allow the gift to be applied where the need is greatest. You may also earmark the bequest for a specific cause, such as endowment funds for a specific garden or special project. If you are considering restricting your gift, we would appreciate the opportunity to discuss your ideas and language you plan to use before you finalize the gift to ensure your aims are realized.

## **Legal Requirements of a Bequest**

It is important to give your attorney our full name and address, as well as specifying that the gift is to go to support the mission of the Polly Hill Arboretum.

See the page (2) for examples or terminology frequently employed with bequests.

continued:

One type of Bequest format that is commonly used:

“ I bequeath the sum of \$\_\_\_\_(or\_\_\_\_% of my residual estate) to the Polly Hill Arboretum,located at 809 State Road, West Tisbury, MA, to support its distinct mission as determined by the staff and Board of Directors of the Polly Hill Arboretum.”

Funds in the amount of \$100,000 or more may be named and managed as separate funds; gifts less that this amount will be specified to our existing endowment used to support general operations.

An example of this would be to create an endowed named position for a staff member, or use a restricted gift for an existing component within our current scope of activities. Activities such as our public lecture program, plant conservation, plant propagation, seed exploration etc. This helps a donor ensure their funds are used for specific program elements that matter most to them.