

## *The Gift of a Lifetime...*

### **Planned Giving to Steele County Historical Society**

**By Scott DeBus**

The word philanthropy often has the connotation of being “upper crust”, but nothing could be further from the truth. Roughly 80% of Americans regularly give money to charities that they support, and that makes them philanthropists, whether they would use that word to describe themselves or not. These “average” Americans make a huge difference in the communities they live in, more than they would ever have imagined.

SCHS receives less than 10% of its budget from County and City resources (typically other historical societies receive 50% or more) therefore other fundraising methods become vitally important to the long term success of SCHS. How do we raise funds that are needed? We accomplish this through events such as Extravaganza, the Valentine Dinner, Harvest Fest, Christmas in the Village and others. Funds are also raised through memberships, donations, memorials, grants, and bequests or planned giving.

Gift planning is a great way to make a lasting contribution to SCHS, while taking advantage of favorable Federal and State tax laws.

Did you know your gift can?

- Reduce your income taxes
- Reduce or possibly eliminate capital gains taxes
- Remove assets from your estate, and possibly reduce your gift and estate tax

Two easy ways of planned giving are through bequests and naming of a beneficiary. Bequests are made through your will or revocable living trusts, and SCHS can be named as a beneficiary of your retirement plan, insurance policy, or other financial account.

There are several types of bequest that allow you to designate how your estate will be distributed.

- **Specific bequests:** you describe exactly what you want to leave to a specific individual or organization and the designated source. If you want to leave a specific amount from a specific source, this is the type of bequest that you would use. **Example:** Joe states in his will “I leave my gold watch to my Grandson, Herman. I also leave my securities to the Steele County Historical Society.”
- **General bequests:** this type of bequest does not designate the source from which it should be paid, thus giving the executor the flexibility to honor the bequest from any available source. **Example:** Mary states in her will “I leave \$50,000 to my son Bill.”
- **Residuary bequests:** This is honored after all other bequests have been made, and all debts and expenses have been paid. **Example:** Lucinda states in her will “ I will give all the residue and remainder of my estate to the Steele County Historical Society.”
- **Contingent bequest:** This is fulfilled when certain conditions are met. For instance, if your primary beneficiary doesn’t survive you, you can indicate your next choice through a contingent designation. **Example:** Edith states in her will “I give all the rest, residue and remainder of my real and personal estate to my husband, Henry, if he survives me. If not then 50% in equal shares to my children who survive me, and 50% to the Steele County Historical Society.”

As you can see, it is fairly easy to remember an organization in your will, and you are also able to designate the organization as a beneficiary. Some benefits of designating SCHS or other organizations as a beneficiary of a retirement plan or insurance policy include:

- Personal satisfaction-you’ll be providing a gift to an organization or charity that matters the most to you.
- Its easy-adding a beneficiary involves little effort and almost no paperwork.
- Tax savings-you may save on possible estate taxes.
- Flexibility-you may change beneficiaries at any time.
- Create a legacy- your gift will ensure our future

One other very important means by which an individual may help an organization is by gifting of appreciated assets such as stock that you may own. Say you have a stock worth \$5,000 that you want to sell to make a \$5,000 charitable gift. Does it matter if you write a check or give the stock to the organization directly? It most certainly does matter. If the stock’s value has gone up since you purchased it, giving the stock, rather than the proceeds to an organization means no capital gains tax, for you or the non-profit organization you’re donating to. **Planned Giving** *continued on the next page...*

**Planned Giving** *cont...*

There are several ways to transfer securities to SCHS. The most efficient way is to contact your financial advisor and have them electronically transfer your gift to a designated account at SCHS. You can also mail or give your certificates in person directly to SCHS. If you would like to do this, please contact us so we may facilitate the transfer.

We sincerely hope that discussing options of giving may benefit you by introducing factors such as tax savings, flexibility, and a chance to create a legacy that will survive you, and enable others to enjoy the results of the generosity you've provided. Our success at SCHS has been due to the tremendous support we receive from our members, the community, and businesses that share our mission of preserving and making accessible the history of Steele County. We appreciate your consideration of SCHS in your estate plans, and are happy to assist you with any questions you may have.