

CHARITABLE GIVING INFORMATION

A. GIFTS UNDER YOUR WILL

- You can name the Seneca Park Zoo Society as a direct beneficiary of a specified cash amount or a percentage of your residuary estate.
- Bequests can be directed as follows:
 - Specific cash bequest: “I give and bequeath to the Seneca Park Zoo Society, with offices at 2222 St. Paul Street, Rochester, NY 14621 (EIN: 16-0905390) the sum of \$_____, to be used for its general purposes.” (Or for whatever purpose you may direct.)
 - Residuary bequest: “I give and bequeath to the Seneca Park Zoo Society, with offices at 2222 St. Paul Street, Rochester, NY 14621 (EIN: 16-0905390) ____% of my residuary estate, to be used for its general purposes.” (Or for whatever purpose you may direct.)

B. “SIGNATURE” GIFTS

1. Retirement Assets

- Gift at Death: You can name the Seneca Park Zoo Society as a beneficiary of a retirement account. This would save on income taxes that an individual would otherwise have to pay. Any distributions to a charity or any sale of retirement account assets by a charity will result in no income tax since a charity is not subject to income tax. The same distribution to an individual would be subject to income tax and will reduce the value of the gift by the taxable amount.
- Lifetime Gift: If you are in retirement, you are likely aware that even if you do not need or want the funds, the IRS requires you to take Required Minimum Distributions each year beginning at age 72. You can fulfill your RMDs each year through a charitable donation to the Seneca Park Zoo Society from your retirement account (up to \$100,000 per year). These types of donations are called Qualified Charitable Distributions (QCDs). Unlike RMDs, QCDs do not count as taxable income and will not push you into a higher tax bracket.

2. Life Insurance

- Most people who take out a life insurance policy do so to protect their family. As you near or have entered into retirement, your family is most likely more financially secure than when you purchased the insurance policy. This would be a good time to make the Seneca Park Zoo Society a beneficiary of your life insurance policy. This will meet your charitable intentions without having any adverse impact on your lifestyle.
- Simply add the “Seneca Park Zoo Society” as a designated beneficiary to your policy and indicate the percentage of the face amount to be given.

c. LIFE INCOME GIFTS

1. Charitable Gift Annuity

- Overview: A Charitable Gift Annuity Trust pays income to one or more individuals for life or a predetermined period of time (not to exceed 20 years), with the remainder to be paid to the Seneca Park Zoo Society.
- Profile of Potential Donor
 - Owns low cost basis stock which pays low income.
 - Wants a current income tax deduction.
 - Wants to reduce estate taxes.
 - Wants to generate income.
 - Wants to diversify portfolio.
 - Has charitable donative intent.
- Trust Characteristics
 - The trust is irrevocable and will pay guaranteed income in the form of an annuity to beneficiaries you select (typically, you and your spouse) for their lifetimes or for a term not to exceed 20 years.
 - There is an income tax deduction based on the present value of the gift for the charity.
 - The remainder interest will pass to the Seneca Park Zoo Society.
 - You may be the Trustee and thereby maintain control of the investment of the assets.
- Example
 - John Smith is 60 years old and among his current assets are shares of stock currently valued at \$500,000. This stock was purchased many years ago with a cost basis of \$50,000.
 - Over the years, the average dividend return on the stock has been 1% - much lower than his other investments. He has not wanted to sell the stock in order to diversify his portfolio, however, because the resulting tax on the \$450,000 capital gain he would incur would greatly diminish the amount he would have left to invest.

- After consulting with his advisors, Mr. Smith decided to establish a Charitable Gift Annuity Trust. He gifted his \$500,000 of stock to the Trust, which was then sold by the Trustee, with *no resulting capital gains tax because the charitable trust is not subject to income tax*. The proceeds of the sale can be used to build a diverse stock portfolio.
- Mr. Smith could have an income tax deduction of \$50,390 during the year in which he made the gift.
- Mr. Smith chose to receive \$25,000 in income each year from the Trust. This is five times the return he had previously received on the stock. Upon his death, the balance of assets then held in the Trust would be distributed to the Seneca Park Zoo Society.

2. Charitable Remainder Unitrusts

- Charitable Remainder Unitrusts are very similar to Charitable Gift Annuities. The primary difference is that the Charitable Remainder Unitrust pays to the income-beneficiaries a fixed percentage of the fair market value of the Trust's assets, determined annually.
- Because the value of the Trust's assets is re-evaluated each year, the payments to the income-beneficiaries of a Charitable Remainder Unitrust can increase or decrease annually based on the fluctuations in the value of the trust assets.
- At the death of the income beneficiary the remainder interest will be paid to the Seneca Park Zoo Society.

3. Pooled Income Fund

- The Seneca Park Zoo Society has established and maintains a Pooled Income Fund with the Rochester Area Community Foundation. In exchange for your contributions to the fund, you will receive units of interest in the fund, entitling the beneficiaries you select to receive the income each year from the fund during their lifetime. The Seneca Park Zoo Society retains the remainder interest at the end of the beneficiaries' lives.
- Additionally, you will receive an income tax deduction for the value of the gift.
- Contact the Seneca Park Zoo Society's Development office for information on how to contribute to the Pooled Income Fund.

D. OTHER WAYS TO GIVE

1. Charitable Lead Trust

- a. Overview:** A Charitable Lead Trust pays income to the Seneca Park Zoo Society for a predetermined period of time with the remainder interest to a beneficiary of your choosing. The income interest must be in the form of a guaranteed annuity or a unitrust interest in order to qualify for a charitable income and gift tax deduction. Conceptually, it is the inverse of a Charitable Gift Annuity because the Seneca Park Zoo Society, instead of the beneficiary, receives the income interest, and the beneficiary instead receives the remainder interest.
- b. Profile of Potential Donor**
 - Can afford to shift income stream away from himself or herself to the charity.
 - Desires to increase level of affluence of family members.
 - May have assets that will be appreciating in value.
 - Would like an immediate income tax deduction.
 - Has charitable donative intent.

2. Donor Advised Fund

- a.** You can create a Donor Advised Fund through your own financial advisor using brokerage firms such as Vanguard or Fidelity Investments.
- b.** A Donor Advised Fund provides you with the ability to receive a tax deduction in the year you transfer the donated funds, make distributions to charities at any time, and maintain a degree of control over the use of those distributions.

If you have questions, please call the Seneca Park Zoo Society's Development Office: (585) 336-7205

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