

## **ESA Foundation Planned Giving Program**

*“Celebrating the Difference You Make”*

The ESA Foundation Planned Giving program has been in place for a period of time to use as a tool to educate and create awareness regarding wills, bequests, beneficiary designations, and other charitable planning alternatives.

The regulation of the planned giving program falls under the direction of the Planned Giving Committee (ESA Foundation Board of Directors). The committee shall be responsible for coordinating the activities of the planned giving program. It is the responsibility of the Planned Giving Committee to educate the membership and friends of the ESA Foundation through education, marketing, and public relations programs. These efforts include sharing with prospects the merits of the ESA Foundation and how their gift will benefit the ESA Foundation.

### ***Charitable Opportunities for Supporting the ESA Foundation – Now and in the Future***

There are several vehicles that may be used to support the ESA Foundation. The basic vehicle is a “wills and bequest” gift.

#### **WILLS, BEQUESTS AND BENEFICIARY PROGRAMS**

##### **WHAT IS A WILL?**

A **WILL** is a legal declaration of how a person wishes their possessions to be disposed of after their death. The document containing the declarations is called a will.

##### **REASONS FOR HAVING A WILL**

Knowing why you should have a will can help you motivate others to make wills for their families and for the benefit of the ESA Foundation. (Please check with your attorney to verify your rights and best method for your gift.

- ▶ You, not your state’s arbitrary intestacy laws - determine to whom, how and when your property will be distributed.
- ▶ You name your executor – the person, bank or trust company who will manage and settle your estate according to your instructions. If a person dies without a will, the law decides who settles the estate.
- ▶ In a will, you can name the guardian who will raise your minor children and manage their property - subject, of course, to your spouse’s natural rights.
- ▶ You can create trusts for your spouse, children and others. Trusts protect your beneficiaries against loss or dissipation that might result from their inexperience. Trusts also save taxes.

- ▶ With a will, estate taxes are often reduced and sometimes even eliminated. Taxes can also be saved in a survivor's estate.
- ▶ A life insurance designation is no substitute for a will. Most people have other property in addition to life insurance.

### **WHAT IS A BEQUEST?**

A **BEQUEST** is something that is left or given to another by a will – a legacy. No other source has greater potential for the planned giving program than bequests.

### **LIFE INSURANCE PROGRAMS AND RETIREMENT PLANS**

#### ***LIFE INSURANCE PROGRAMS:***

Life insurance policies originally purchased to satisfy a particular need that no longer exists are excellent candidates for a charitable gift.

A donor can change the beneficiary or add the ESA Foundation as a primary or a contingent beneficiary on an existing policy by contacting his/her insurance agent.

A donor can make the ESA Foundation the owner and the beneficiary of a life insurance policy and take a tax deduction for the value of the policy.

#### ***RETIREMENT PLANS:***

The growth of retirement plans during recent years has been significant and most donors are simply unaware they can designate a charity as a beneficiary.

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### **SAMPLE BEQUEST CLAUSES**

**It is essential that the ESA Foundation's full legal name and Tax ID # 23-7099403 be used. This is only sample language and all legal documents need to be checked by your attorney.**

**Unrestricted general legacy:** I bequeath to the **ESA Foundation**, headquartered in Fort Collins, CO, the sum of \$\_\_\_\_\_ dollars for its general purpose.

**Gift for a specific purpose:** I bequeath to the **ESA Foundation**, headquartered in Fort Collins, CO, the sum of \$\_\_\_\_\_ dollars to be added to its endowment program and the net income shall be used for scholarships. If in the opinion of the **ESA Foundation** Board of Directors, the purposes of the **ESA Foundation** would be better served by using the income or principal, or both, for the **ESA Foundation** general purposes, the income, or principal, or both, may so be used.

**Contingent gift of residuary estate:** I devise and bequeath the residue of the property owned by me at my death, real and personal and wherever situate, to my spouse, Mary Jane Doe-Smith, if she survives me. If \_\_\_\_\_ my spouse does not survive me, I devise and bequeath my residuary estate to the **ESA Foundation**, headquartered in Fort Collins, CO, for its general purposes.

**Amount of gift dependent on the size of the estate:** I bequeath the sum of \$\_\_\_\_\_ dollars or %\_\_\_\_\_ percent of my adjusted gross estate as finally determined for federal estate

tax purposes, whichever is the lesser, to the **ESA Foundation**, headquartered in Fort Collins, CO, for its general purposes.

**Provision providing for payment of pledge:** I direct my executor to pay to the **ESA Foundation**, headquartered in Fort Collins, CO, any balance that is due or will become due under the terms of any pledge or pledges made by me during my lifetime.

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**SPECIFIC SAMPLE BEQUESTS:**

**Unrestricted Bequest** - An unrestricted bequest may be made effective upon your death or after a specified period during which assets are used to support another family member. This type of bequest allows the ESA Foundation to use the entire gift in a manner that the ESA Foundation determines to be most important.

**Samples:**

- I give to the ESA Foundation, a non-profit organization headquartered in Fort Collins, CO:
- The sum of \$\_\_\_\_\_.
  - \_\_\_\_\_ % (percent) of the residue of my estate.

This gift shall be used by the Board of Directors of the ESA Foundation as it deems to be in the best interests of the ESA Foundation.

**Restricted Bequest** - May also be effective upon your death or after a designated period during which your assets benefit another person. This type of bequest allows you to choose how your gift will be used at the ESA Foundation.

**Samples:**

- I give to the ESA Foundation, a nonprofit organization headquartered in Fort Collins, CO:
- The sum of \$\_\_\_\_\_.
  - \_\_\_\_\_ % (percent) of the residue of my estate.

This gift shall be used by the Board of Directors of the ESA Foundation either to establish an endowed fund, the income of which shall be used for\_\_\_\_\_ (e.g. general operating expenses, scholarships, programs or grants) or to add to an existing restricted endowment or grant which has been established for a similar purpose. The Board of Directors may use all or part of the income from this gift for such purposes. If it is found that the income can no longer be used for the purposes stated here, then the income may be used for other purposes that will benefit the ESA Foundation, taking into consideration my interest in the purposes stated in this paragraph.

**Scholarship Bequest - A Lasting Legacy:** Leaving a bequest to the ESA Foundation in your will to establish an endowment in the Scholarship Program is a wonderful way to utilize your money and leave a living legacy for future generations to benefit. There are two ways to establish a bequest in your will. Suggested guidelines and considerations regarding the Foundation's Endowment Program are included.

I give to the ESA Foundation, a nonprofit organization, headquartered in Fort Collins, CO:

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- The sum of \$ \_\_\_\_\_.
- \_\_\_\_\_ % (percent) of the residue of my estate.

The Board of Directors shall use this gift either to establish an endowed fund, the income of which shall be used for operations of the scholarship or to add to an existing restricted endowment or grant which has been established for a similar purpose. The Board of Directors may use all or part of the income from this gift for such purposes. If it is found that the income can no longer be used for the purposes stated here, then the income may be used for other purposes that will benefit the ESA Foundation, taking into consideration my interest in the purposes stated in this paragraph.

*(If you wish to designate a name for the endowment)*

The name of this endowed scholarship shall be: \_\_\_\_\_.

This will give the Board of Directors jurisdiction over the endowment fund. They will operate it for you when the time comes in the manner in which you specify. Key factors to remember when establishing an endowed scholarship are:

- A minimum of \$5,000 establishes an endowment fund account for it to become “active” or “endowed.”
- The ESA Foundation has other Grants that benefactors may want to support as well as endowed scholarships.

**Memorial Fund:** Your bequest can be used to create a memorial fund in your name or in the name of another person you wish to honor.

Your gift would then be known as “The \_\_\_\_\_ *Memorial Fund*”, and this phrase would be included in the wording for either a restricted or unrestricted bequest. If you would like the fund to be endowed, please check with the ESA Foundation regarding endowment requirements.

**The Remainder of a Trust** - Unrestricted and restricted gifts may be made upon the termination of a trust that initially benefits another person. An example of an unrestricted gift would be:

*Upon the death of \_\_\_\_\_ (the first beneficiary), this trust shall terminate and the remaining trust estate shall be distributed to the ESA Foundation, a nonprofit organization headquartered in Fort Collins, CO, to be used by the Board of Directors of the ESA Foundation as it deems to be in the best interests of the ESA Foundation.*

**Unrestricted Residuary Bequest** - You may choose to have the ESA Foundation receive the rest of your estate once other bequests have been fulfilled. An example of this gift would be:

*I give to the ESA Foundation, a nonprofit organization headquartered in Fort Collins, CO, the rest and residue of my estate to be used by the Board of Directors, as they deem most advisable for the best interests of the ESA Foundation*