Black Swamp Conservancy

Planned Giving Information

Planned Giving

Perhaps the most effective way to provide long-term support for our mission of protecting and preserving natural and agricultural lands is through a planned gift that is part of your estate plan.

Why Consider a Planned Gift?

Each year, thousands of people include charities in their estate plans. They do so not only to benefit their favorite causes, but also for the personal and financial benefits:

- Leaving a legacy
- Income tax savings
- Tax-sheltered lifetime income
- Personal satisfaction
- Supplemental retirement income
- Gift and estate tax savings
- Increased lifetime income

Planned Giving Options

There are many ways to make a planned gift, including:

- Bequest by Will
- Outright Gifts
- Charitable Lead Trust
- Charitable Remainder Trust
- Life Insurance
- Qualified Charitable Distribution

Planned Gifts

For many prospective donors to Black Swamp Conservancy, making a gift via their estate plans is an effective method to support the long term mission of the Conservancy. There are a variety of ways to make a future gift:

BEQUEST

This is a gift by will or will codicil (will amendment or addition) that is payable according to the terms of that legal document. Bequests may provide for a specific dollar amount in cash, specific securities, a specific piece of real estate, specific articles of tangible personal

property, a percentage of an estate, or a percentage of a residuary estate (that portion of an estate remaining after specific bequests have been made). A bequest of all or a portion of a revocable living trust may also be made to the Conservancy.

Samples of bequest language:

UNRESTRICTED BEQUEST

"I give (__ dollars) (or a specific asset) or (__ percent of the rest, residue and remainder of my estate) to Black Swamp Conservancy, the charitable, tax exempt organization located in Pemberville, Ohio, for its general purposes."

BEQUEST FOR SPECIFIC PURPOSE

"I give (__dollars) (or a specific asset) or (__ percent of the rest, residue and remainder of my estate) to Black Swamp Conservancy, the charitable, tax exempt organization located in Pemberville, Ohio, to be used for the following purposes: (state the purpose)."

NOTE: If a donor wishes to restrict a bequest to a specific purpose, he or she should contact Black Swamp Conservancy in advance to make sure that the language used will accomplish the donor's wish and align with the Conservancy's needs.

The Conservancy welcomes unrestricted and specific bequests that support its mission, and credits each bequest at the explicit value of the gift or gifts conveyed, to the full extent of the law. If a bequest will be used to establish an endowment fund for either a restricted or unrestricted purpose, its value should be at least $25,000.

CHARITABLE GIFT ANNUITIES

A Charitable Gift Annuity (CGA) is a simple contract between a donor(s) and a third party financial manager. In exchange for an irrevocable gift of cash, securities, real estate or other assets, the financial manager agrees to pay one or two annuitants a fixed sum each year for life. Gift annuity payments are based on life expectancy of the annuitants, from actuarially determined rates recommended by the American Council on Gift Annuities. The payments are guaranteed by the general resources of the financial manager.

Black Swamp Conservancy does not directly manage annuities, but may be listed as a beneficiary of an annuity managed by a third party. Please consult with your financial manager.

DEFERRED CHARITABLE GIFT ANNUITIES

At the time you enter into a deferred charitable gift annuity contract, you irrevocably transfer the gift assets and receive an immediate income tax deduction, but you set a future date for the annuity payments to begin. You also have the option to wait to make a final decision on the start date for the payments. In either case, the longer the period that your annuity payments are deferred, the greater will be the fixed income paid.

Black Swamp Conservancy does not directly manage annuities, but may be listed as a beneficiary of an annuity managed by a third party. Please consult with your financial manager.

CHARITABLE REMAINDER TRUSTS (CRT'S)

There are two forms of CRT's: A charitable remainder annuity trust (CRAT) and a charitable remainder unitrust (CRUT). Each is a separately invested and managed trust. The minimum age for a one or two life plan is generally 60 years of age. For each trust, a minimum gift value is usually $100,000.

A CRAT pays a fixed annual income for life, based on the rate agreed to by the donor(s) and financial institution

A CRUT pays a variable income annually for life, based on the percentage (minimum 5%) agreed to by the donor(s) and the financial institution and the value of the CRUT's assets as determined once each year.

For gift crediting purposes, the donor(s) are credited with the fair market value for the gift at the time of its conveyance. For federal income tax purposes, the donor(s) income tax charitable deduction for this gift will be determined by the age(s) and gender(s) of the donor(s), the value of the funding assets, and interest rates. The gift deduction is always a fraction of the gift value and is often referred to as the "remainder" value.

A range of assets, including cash, securities and un-mortgaged real estate, can be used to fund a CRT. Mortgaged real estate is not acceptable for a CRT. Real estate-funded CRUT's, where a "flip" CRUT is used, may be appropriate. In such cases, the donor should understand at the outset that he or she will be expected to provide cash contributions to the CRUT so that the CRUT can cover the costs of holding the property prior to liquidation of the asset.

Black Swamp Conservancy does not directly manage CRT's, but may be listed as a

beneficiary of a CRT managed by a third party. Please consult with your financial manager.

RETAINED LIFE ESTATES

Black Swamp Conservancy will accept a gift of a residence (not limited to one's primary residence) or agricultural property, for which the donor retains a life estate - or an interest running for a fixed number of years. Such property gifts subject to a retained life estate- also known as remainder interest gifts - will generally be considered only for donors 65 and older. The life tenant(s) in such situations will retain full responsibility for taxes, utilities, repairs and maintenance, etc. The Conservancy will work with the donor(s) to agree on a written agreement detailing these responsibilities. The donor(s) in such instances is entitled to a charitable tax deduction based on actuarial and other factors.

BARGAIN SALES

Black Swamp Conservancy may agree to purchase an asset, such as real estate, for a price less than its fair market value, with the intention of either retaining or selling the asset. In the case of such a "bargain sale," the donor/seller may claim as a charitable deduction the difference between the asset's appraised value and the sales price to the Conservancy. For the Conservancy, if it sells the land, the value of the gift is the difference between its net sales proceeds, and the price paid to the donor. Black Swamp Conservancy will consider such arrangements when a property has significant conservation value, in the case of retention, or in the case of resale, when the net gift value of the arrangement to the Conservancy is likely to be at least $50,000, and when the Conservancy has access to funds for the initial purchase.

CHARITABLE LEAD TRUSTS (CLT's)

A CLT is a gift plan that allows a donor(s) to transfer assets to future generations, after providing for a stream of income for the Conservancy for a specified period of years. Unlike a CRAT or CRUT which provides the donor a fixed or variable income for life, with the remainder given to charity at the donor's death, a CLT pays income to a charity upfront for a period of years, and then returns that asset to either the grantor (the donor) or non-grantors (often grandchildren). The minimum age for a CLT benefitting the Conservancy is 60. For CLT's, a minimum gift is usually $500,000. Because of the variety of factors involved in the parameters of these kinds of gifts, we urge prospective donors to consult with their lawyers and tax advisors for specific advice and tax implications. Black Swamp Conservancy

receipts the donor for the sum total of the yearly income made available to the Conservancy for the term of the CLT.

RETIREMENT ACCOUNTS

For many donors, an easy way to earmark a future gift to support Black Swamp Conservancy is to designate it as the beneficiary of a retirement account, such as a 401(k) or IRA. Because tax deferred retirement accounts are taxed at ordinary federal and state tax rates and may also be subject to estate taxes, those with significant retirement assets can also face significant tax liabilities. So making a gift of these assets often provides a very substantial tax savings and can be done easily by filling out a beneficiary designation form provided by the plan administrator and selecting Black Swamp Conservancy as a recipient at death. The Conservancy will recognize the full value of the gift conveyed, consistent with tax law.

Also, direct transfers from an IRA may be made to the Conservancy for individuals 70 ½ and over, up to $ 111,000/year, without counting the withdrawal as current income for the donor's federal tax purposes. Such transfers count toward minimum distribution requirements.

LIFE INSURANCE

Black Swamp Conservancy will accept gifts of life insurance policies only when it is named as both the owner and beneficiary. If the policy is fully paid, the value of the gift for the Conservancy's gift crediting and accounting purposes is the policy's replacement costs. If the policy is partially paid up, the value of the gift for the Conservancy's gift crediting and accounting purposes is the policy's cash surrender value. Black Swamp Conservancy's decision to cash in each donated policy will be determined on a case by case basis. In those cases where the Conservancy is a designated charitable recipient of an assigned life insurance death benefit, the Conservancy accepts such gifts with grateful appreciation.

POOLED INCOME FUNDS

Pooled income gifts are currently not accepted. Inquiries concerning them may be directed to the Executive Director.

The Next Steps

Contact the Black Swamp Conservancy – We would be pleased to discuss your personal and financial goals, as well as the long-term needs of the Conservancy. We can also help connect you with an attorney or financial advisor if you do not already have one. Please email our Executive Director, at **director@blackswamp.org**, or contact him at **419-833-1025** ext. 1 for more information.

Talk to your own legal and financial advisors – Decisions about planned giving require professional assistance. Please be sure to contact your attorney or financial advisor for their professional advice.

Read Further – There are many publications available that discuss planned giving. Consider visiting your local library or favorite bookstore, or doing research on the internet for additional information.

Other Matters

COSTS OF GIFT ACCEPTANCE

Black Swamp Conservancy will clarify with the donor under what circumstances, if any, the Conservancy will pay for legal fees or professional fees with respect to completing a gift. Normally, in the case of real estate gifts, the Conservancy will assume responsibility for the cost of title insurance, environmental site assessments and building inspections. Black Swamp Conservancy may also choose to pay for appraisals for its own purposes. If the Conservancy pays for a gift cost that is the legal obligation of the donor, the value of the gift will be reduced by the cost to the Conservancy for the services, or alternatively, the gift may be treated as a bargain sale with the cost to the Conservancy as the compensation to the donor. While Black Swamp Conservancy, as gift recipient, is not legally responsible for determining the fair market value of gifts for tax deductibility determination, as a charitable 501(c)(3) organization operating for the public benefit, Black Swamp Conservancy will review valuations of claimed deductions and will not accept gifts when it determines that such valuations are questionable. The Conservancy will be particularly vigilant in assuring that gifts from 'insiders' and substantial cash donors have been fairly valued.

AGENT FOR THE TRUST

Black Swamp Conservancy currently uses Key Private Bank as its Agent for investment management and Key Private Bank or Toledo Community Foundation for administrative services for planned gift funds. The Conservancy reserves the right to change or add agents without notice to donors.

STANDARDS OF PRACTICE

THE CONSERVANCY staff that work in planned giving will adhere to the American Council on Gift Annuities Model Standards of Practice for the Charitable Gift Planner (which are available on the ACGA website, www.acga-web.org).

CONFIDENTIAL GIFT INFORMATION

Black Swamp Conservancy shall keep confidential all information obtained about prospective donors and specific gift arrangements regardless of whether or not a gift is made. The Conservancy may use selected information for purposes of referral, testimonial or example if a donor grants permission.

RECOGNITION OF DONORS

Black Swamp Conservancy shall keep confidential any gift designated by the donor as anonymous, notwithstanding IRS required reporting.

Sometimes donors, especially foundations and corporations, request recognition for gifts on the Conservancy's website, social media, newsletter and press releases. Such recognition shall be at the discretion of the staff, under the direction of the Board of Directors.

Subject to the approval of the Development Committee, Black Swamp Conservancy may establish levels of recognition for special event sponsors.

DECLINING GIFTS

Black Swamp Conservancy will not knowingly solicit gifts from any person or entity actively engaged in activities that directly conflict with the organization's mission or could foreseeably pose a stewardship challenge to one of its preserved properties.

The Conservancy may decline any gift that in its collective judgment creates unacceptable challenges, undue expense, excessive recognition requirements, or a perception of

impropriety or conflict with the organization's mission.

RESPONSIBILITY FOR POLICY REVIEW

The Board of Trustees has the responsibility for implementing these policies and reviewing them biennially or as needed.

GIFT DESIGNATION

The donor has the right to designate a gift for specific purposes, and he or she should discuss the feasibility and practicality of intended restrictions with the Conservancy's Executive Director. Particularly as planned gifts may not mature for many years, it is important for Black Swamp Conservancy to be aware of and document a donor's intentions for future implementation. The Board of Directors must expressly approve any donor restrictions.

CONFLICTS OF INTEREST

Black Swamp Conservancy will conduct all gift transactions in accordance with its conflict of interest policy.

OTHER ADMINISTRATIVE ISSUES

Black Swamp Conservancy and its staff shall not act as an executor (personal representative) for a donor's estate. The Conservancy may act as trustee or co-trustee, or successor trustee, of a charitable trust when the trust names the Conservancy as an irrevocable beneficiary and the net charitable benefit to Black Swamp Conservancy, measured in today's dollars, is at least $100,000 and at least 50% of the trust assets. Before an endowment fund is established at Black Swamp Conservancy, whether during the donor's life time or by testamentary form, it is advisable to consult with a representative of the Conservancy to discuss terms and conditions.