

GIFT PLANNING TOOLKIT

A planned gift is more than a contribution. It is an expression of your desire to make a difference at the Lancaster Science Factory and leave a legacy that will benefit children in our community for generations to come. Your gifts empower the Science Factory to continue its tradition of inspiring curiosity, creativity, and confidence in local students and showing them science can be fun.

This guide provides an introduction to the planned gifts that are most popular among the Science Factory's donors. You will find basic information on how the different gifts are structured and how they can benefit both you and the Science Factory. The following gifts are addressed:

<u>Planned Gift</u>	<u>Page Number</u>
IRA Charitable Distribution	Page 2
Gift of Appreciated Assets	Page 3
Charitable Bequest	Page 4
Beneficiary Designation	Page 5
Charitable Gift Annuity	Page 6
Charitable Remainder Trust	Page 7

The Science Factory team welcomes the opportunity to discuss your philanthropic goals and work with you and your advisor to plan the right gift to meet them.

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IRA Charitable Distribution – immediate impact

Who is the donor?

- At least 70½ years of age
- Taking distributions from a traditional IRA or Roth IRA account
- Does not need all or part of the distributed money*

How donor benefits?

- Satisfies the minimum required distribution from account*
- Avoids the income tax that would otherwise be assessed on that income
- Provides immediate support to the Lancaster Science Factory

How it works?

- Donor contacts IRA administrator requesting that money be distributed directly to the Lancaster Science Factory
- IRA administrator should send check to: Lancaster Science Factory, Development Office, 454 New Holland Avenue, Lancaster, PA 17602
- Total of donor's rollover gifts may not exceed \$100,000 per year

** IRA account holders are required to start taking minimum distributions (RMDs) when they reach 72. The requirement is suspended for 2020 only by the CARES Act, but IRA charitable gifts are still permitted and tax-free for those over 70½.*

Gift of Appreciated Securities – immediate impact

Who is the donor?

- Has publicly traded securities that they've owned at least one year
- Some of the securities have increased in value since purchase

How donor benefits?

- Creates income tax charitable deduction for the current market value of shares
- Avoids tax on the capital gains
- Provides immediate support to the Lancaster Science Factory

How it works?

- Donor requests broker transfer shares to LSF
- So gift can be properly attributed, donor notifies Development Office of the name of the stock, number of shares, and from where it is being transferred

Gift by Will or Living Trust – takes effect after lifetime

Who is the donor?

- Appropriate for anyone

How it works?

- Donor consults an attorney (or uses an online service like [FreeWill](#), [LegalZoom](#), or [RocketLawyer](#)) to draft a new will/trust or codicil to an existing document
- Will/trust should reference “Lancaster Science Center, a nonprofit organization, or its lawful successor, EIN #51-0520671”
- Donor can choose to give a particular asset or dollar amount, or can give a portion of what remains after specific bequests have been distributed
- Language can also be included to specify the purpose of the gift
- *Please consult with the Development Office to make sure your specific intentions are understood and can be met*

How donor benefits?

- Opportunity to give a larger gift than might be possible now
- Allows donor to continue to enjoy assets while living
- Can be modified or revoked at any time
- May reduce estate tax liability (will depend on the size of the estate and estate tax law at end of life)

Beneficiary Designation – takes effect after lifetime

<p>Who is the donor?</p> <ul style="list-style-type: none"> • Appropriate for anyone • Easy to implement
<p>How it works?</p> <ul style="list-style-type: none"> • Donor names Science Factory beneficiary of retirement account or life insurance policy (could also be banking or brokerage account), and assets remaining in account pass to Science Factory at the end of donor’s life • Doing so only requires listing Science Factory on the beneficiary designation form provided by the account administrator • <i>The form generally will not specify that entities (like LSF) can be listed in place of a person; it is best practice to include the legal name “Lancaster Science Center” as well as our tax ID: 51-0520671</i> • Donor can choose to make LSF sole beneficiary or choose multiple beneficiaries indicating what portion of the assets pass to each • Can choose to make LSF contingent beneficiary, meaning that funds only pass to LSF if primary beneficiaries predecease donor
<p>How donor benefits?</p> <ul style="list-style-type: none"> • Opportunity to give a larger gift than might be possible now • Can be modified or revoked at any time • Avoids payment of income tax on retirement assets • May reduce estate tax liability (will depend on the size of the estate and estate tax law at end of life)

Charitable Gift Annuity – simple contract, income to donor then remainder to Lancaster Science Factory

Who is the donor?

- At least 60 (and payout rates increase with age)
- Interested in gift of \$10,000+
- Able to fund gift with cash or securities

How it works?

- Donor gives cash or appreciated securities and signs a simple contract
- Fund holder makes fixed annual payments to the annuitant; the annuitant is the donor or someone else the donor chooses, up to two people total
- The amount of the annual payment is a percentage of the value of the original gift; the payout rate is higher the older the annuitant
- After the lifetime of the last annuitant, the remaining funds go to LSF
- *Contact the Development Office for more information about this giving option*

How donor benefits?

- Fixed annual payments for life
- A partial income tax charitable deduction
- Beneficial capital gains tax treatment if funded with appreciated securities

Charitable Remainder Trust – more sophisticated arrangement, still income to donor then remainder to the Science Factory

Who is the donor?

- No age restriction
- Willing to work with attorney to set up trust
- *Note, a trust is particularly well suited for gifts of real estate*

How it works?

- Donor funds trust with cash, securities or other property (like real estate)
- Trust pays income (either fixed or variable) to donor or named beneficiary/ies for life or for a fixed term
- At the end of that time, the balance, or some portion, is distributed to the Science Factory

How donor benefits?

- Annual income to donor or other beneficiaries
- *Note, unlike CGAs, a trust can be set up to payout an amount that varies with the value of the trust (which generally speaking should grow with investment over time)*
- A partial income tax charitable deduction when trust funded
- Beneficial capital gains tax treatment if funded with appreciated securities or other appreciated property
- Reduction of gift and estate tax liability (will depend on the size of the estate and estate tax law at end of life)