

The American Society of Mammalogists

PLANNED GIVING

H. Duane Smith
Secretary-Treasurer A.S.M.
Monte L. Bean Life Science Museum
Brigham Young University
Provo, Utah 84602-0200
E-mail: duane@museum.byu.edu

OPTIONS FOR GIVING

The American Society of Mammalogists endowment funds were initiated in 1920 to encourage membership in the Society through a modest dues structure. The Reserve Fund is now (July 1998) about \$1,600,000 and yields approximately \$72,000 each year for the scientific and educational missions of the Society.

Funds from Life Members and Patron Members are put into the endowment. Income from these funds is transferred annually to the Society's operating budget and compensates for the annual dues that these members might otherwise be paying. When a Life Member dies, the funds remain as a permanent part of the Reserve Fund.

In the past, donations have been made to commemorate departed members, for example, J. A. Allen (as an endowment to subsidize publication of the *Journal of Mammalogy*), Anna M. Jackson and A. Brazier Howell (to award a travel grant so that a student could attend the annual meeting and present an outstanding paper).

Following is an outline of some options currently available for those wishing to make donations to the Society. This is not definitive, and additional information is available from the ASM Development Committee or from the secretary-treasurer of the Society.

I. Specific Projects of Targeted Gifts

Gifts, whether direct or committed for future "planned gifts," can be targeted for specific purposes agreed upon by donor and recipient. Gifts not targeted for a specific project are placed by the Board of Directors in the ASM Reserve Fund as a perpetual endowment. Several named funds are maintained within the Reserve Fund. Partly because of this endowment, ASM annual dues and journal subscriptions remain among the lowest of any comparable society. Gifts could be targeted for:

1. Current expenses, unrestricted or restricted.
2. Endowment with future income, unrestricted or restricted.
3. Publications, as subsidies to help maintain low prices and thus encourage a wider audience for the *Journal of Mammalogy*, *Mammalian Species*, and *Special Publications*.
4. Programs to subsidize special events at annual meetings.
5. Future Mammalogists Fund, endowment with income to be used for Grants-in-Aid for student research.
6. Latin American Field Research Fund, endowment with income to be used for grants to Latin American students for research in the field.
7. Honoraria, given to students for travel expenses to attend an annual meeting of the Society and present an award-winning paper (e.g., the A. Brazier Howell Award).
8. The Mammal Slide Library, as subsidies to help maintain low prices and provide free slides to needy institutions in foreign nations.
9. Education, for programs or materials for schools or students at various levels.

II. Bequests

A surprising number of people do not have wills. Only through making a will can one be sure that one's assets will go to those persons or institutions one wishes to have as beneficiaries, and that taxes and costs will not be greater than necessary. A will can specify when assets will be distributed and what individual or institution will carry out one's wishes. In many cases, the taxes on one's estate will be reduced much more than the cost for an attorney to prepare a will.

A bequest can:

1. specify a dollar amount that is to go to a specified person.
2. stipulate a percentage of an estate that is to go to a given charity
3. specify real property, for example, 1000 shares of a certain stock.
4. be residuary, for example, "I give the rest of my property to the American Society of Mammalogists, with offices now or formerly at the Monte L. Bean Life Sciences Museum, Brigham Young University, Provo, Utah."
5. be contingent, for example, "if a beneficiary, or all beneficiaries, shall die before the testator or shall disclaim any interest, then property shall go to the American Society of Mammalogists."
6. be restricted as to usage, but it is best not to be too restrictive.

The wording of any will should be approved by an attorney familiar with the laws of one's state.

A charitable bequest can provide payments to a specified beneficiary by testamentary trust (established by will), noting the property, the type of trust, the term, the amount and timing of payments to be made, and the disposition of the principal when the period of the trust ends.

III. Pooled-Income Fund

A donation to a Pooled-Income Fund is held in trust and the donor retains an "income interest" for a specified time, after which the "residual interest" is transferred to the Society. Among the many avenues for planned giving, a pooled-income fund has certain advantages.

1. Small gifts are possible. The Society has set \$1000 as the minimum contribution at any one time.
2. Repeated gifts may be made conveniently.
3. Gifts can be made without the expense of an attorney. A simple agreement prepared by the Society and signed by the donor is the only legal document needed.
4. Appreciated assets can be donated. This is most advantageous for a donor when appreciation has been considerable and the current yield of the asset is relatively low.
5. The donor and/or beneficiary specified can receive income each year for life; then the residual interest passes to the Society for purposes specified. The amount of the deduction depends on the ages of the donor and any other beneficiary (younger people have longer life expectancies and are thus allowed lower deductions), the amount of the donation, and the amount of income paid out.
6. The value of the donor's units in the fund has a potential for increase, and the income may thus increase. This is not guaranteed; they could decrease also.

It should be noted that tax exempt securities cannot be given to the fund, nor may the fund invest in such securities.

Additional information, including copies of our Disclosure Statement and the Trust Document, will be provided to any interested party.

IV. Trusts

The pooled-income fund trust is summarized under III. Various arrangements for charitable trusts offer one or more of the following benefits:

1. The satisfaction of contributing to a favored charity.
2. Savings of taxes through deductions for the value of the gift.
3. Avoidance of capital-gains taxes on appreciated, long-term assets.
4. Contributed income for a specified period of time.
5. Increased spendable income, in some instances.
6. Reduction in federal estate taxes for those whose estates (in 1998) exceed \$625,000 in value.
7. Reduced settlement costs for an estate.

Donors should consult their own tax and legal advisors for a current review of tax and estate implications.

Two types of trust that especially merit consideration are Charitable Remainder and Charitable Lead Trusts.

1. Charitable Remainder Trusts. The income interest is retained by the donor, and the residual interest goes to the charity after a period of time.
2. Charitable Lead Trust. The income interest goes to the designated charity each year, and the remainder interest reverts to the specified beneficiary.

The donor needs to establish these types of trusts, unlike the simpler (from the donor's standpoint) pooled-income trust, which can accommodate smaller and repeated donations.

V. Insurance

Insurance can be used directly or via some trust arrangement to make charitable donations.

1. The American Society of Mammalogists, for example, could be named as the contingent beneficiary, and would receive the benefits if none of the other beneficiaries were alive at the time of the insured's death, or if a living beneficiary chooses to disclaim all or some part of the bequest.
2. The Society could be named as the primary or only beneficiary.
3. The Society could be the initial owner of a policy (and the beneficiary). The insured could contribute the cost of the premiums to the Society and claim these as deductions for tax purposes. Or, ownership of an existing policy could be transferred to the Society, and the cash value of the policy (or net premiums paid, whichever is less) deducted as the charitable donation.
4. Combination arrangements are possible. For example, a Charitable Lead Trust could be set up with the income reverting to the Society for a period of years to be used to pay premiums on a policy as described above. The corpus of the trust would pass eventually to the insured's heirs or other designated beneficiaries and the benefits of the insurance policy would pass to the Society.
5. An Insurance Trust can be used to make a gift to the Society and, in its place, provide a tax-free legacy to your family. For example, income from the Pooled-Income Fund might be used to pay the premiums on a policy owned by the Insurance Trust. The benefits would be paid to the donor's family after his or her death, in which case it would not be counted as part of the estate for tax purposes.