

New Conservatory Theatre Center Encore Society

Don't wait in the wings—ensure our future with your legacy gift

Next Steps

Make a Plan

- Make an inventory of your assets that includes a description of your retirement plan (including the value and the distribution options), the ownership of any life insurance policies, and descriptions of real estate and other property.
- Decide which people and/or nonprofits you would like to benefit from your estate. Think about what you would like your gifts to accomplish.
- Find an attorney who regularly drafts wills, trusts, and other estate plans for the LGBT community. If you don't have an attorney, ask friends for references. Most attorneys offer free consultations and can give you an estimate for drafting your estate plan.
- If you already have a will or living trust, consult an attorney to add a codicil. A codicil or amendment is a simple, inexpensive way to make changes or additions to your will or living trust.

Talk with Your Advisor

- Review your personal and charitable objectives with your attorney (or other professional advisor if you have one).
- Discuss different planned gift options that might be most appropriate for you, including whether you wish to make the gift during your life or through your estate.
- Select the alternatives that best suit your goals and assets. *For real estate gifts, provide a preliminary description of the property. Because of the special nature of real estate, nonprofit beneficiaries must carefully evaluate each property to ensure that it meets specific guidelines before accepting the gift.*
- When appropriate, select a trustee to handle trust administration and investments.

Gather Information

- Contact the nonprofit(s) you wish to include and ask them to provide you with sample bequest language, legal names, and tax ID numbers. *If you wish to receive acknowledgment for your planned gifts, tell the organization(s) about your commitment to them—your example may well inspire others.*
- For retirement plans, request and complete a change of beneficiary form provided by your plan administrator.
- For life insurance, contact your insurance agent or company for instructions on changing the ownership and/or beneficiary on your policy.
- Carefully review the materials and agreements that your attorney has drafted to fit your needs.



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Types of Assets

- Cash
- Appreciated Securities
- Real Estate
- Retirement Accounts
- Life Insurance
- Closely Held Stock
- Personal Property

Types of Gifts

Bequest: A bequest is simply a provision in your will or living trust that gives the beneficiary organization a percentage of your estate, specific dollar amounts, or particular assets. A bequest can be an outright gift, “spend-down” gift, or endowed gift. A bequest to a nonprofit is not subject to estate taxes, and you can deduct up to 100% of your charitable planned gifts (unlike income taxes, where there are deduction limits). Sample language may include: *I give and bequeath to New Conservatory Theatre Center, tax identification number 94-2778856, located in San Francisco, CA the sum of \$___ (you may also state a percentage of your estate or describe real or personal property, including the exact location) for the benefit of its general support.*

Charitable Lead Trust: A charitable lead trust (CLT) can be an unusually powerful way to support the LGBT community that also benefits your heir(s). A CLT is best for low-basis assets. In a CLT, the donated assets are converted to income-producing assets—typically ones that have potential for appreciation. The assets are placed in a trust, which reinvests when appropriate, but there are no capital gains taxes. The nonprofit you select benefits by receiving an income stream for a fixed number of years. You also receive an income-tax deduction when you put the assets into the trust. After the fixed period ends, the trust principal with any appreciation is returned to your chosen heirs. In addition to providing important income for the community organization, a charitable lead trust both reduces the gift or estate tax you pay and passes the remaining trust principal to your heirs. *Please note that CLTs almost always require a contribution of at least \$250,000 (depending on your choice of trustee).*

Charitable Remainder Trust: You can make a significant gift to a nonprofit whose work you find meaningful while preserving—or even enhancing—your financial security through a special tax-advantaged life income trust, known as a charitable remainder trust (CRT). These widely used trusts are best for highly appreciated assets such as securities or real estate, and provide a great opportunity to create income streams from assets that aren't generating as much revenue as desired.

Donor Advised Fund: A donor-advised fund (DAF) is a simple vehicle created by a charitable gift that allows donors to receive immediate tax benefits and recommend grants to qualified nonprofits from the DAF.

The information above is meant for guidance and not intended as legal advice.

