

*Planning Your Gift to  
The Spartanburg  
Humane Society*





With their unconditional love and unwavering loyalty, pets hold a special place in our lives. Before we could even say their names, they kept watch over our cribs as we slept and they have remained by our sides as playmates, confidants, consolers, and loyal companions.

As we celebrate the special pets from our past and present, we must also consider the animals who do not yet have people to love or people who love them. These are the animals we serve at the Spartanburg Humane Society and these are the animals you can most help, through your support of the SHS.



Throughout our history, we have helped countless dogs and cats find individuals and families with whom to make memories. As you consult your financial advisor, consider



the opportunity to make sure the SHS will always be here to help more homeless dogs and cats become cherished pets.

# SAVE THOUSANDS OF ANIMALS WITH ONE CALL...

*...To Your Estate Planning Lawyer*

As we look toward the future and the challenges that await us, we understand that the generosity of those who embrace our mission will make the difference in our success. That is why we ask for your help.

Your support will serve countless animals cared for by the Spartanburg Humane Society (SHS); we also want it to benefit you.

How can we accomplish both? In addition to the satisfaction that comes from knowing that you have made a difference for animals most in need of help, the best gift plans improve your financial and tax situation as well - often right away.

This booklet helps you to explore opportunities that combine your philanthropic giving with your own financial needs and tax-planning strategies. The following pages outline gift planning that will enable you to secure your own financial future as well as the future of SHS.

*SHS strongly recommends that you obtain the professional counsel of an attorney specializing in estate planning to help you design a gift that is right for you and your family. We are happy to work with you and your advisors to help ensure that your gift meets your philanthropic goals for the benefit of animals.*

## **POTENTIAL BENEFITS**

- Receive a current income tax deduction.
- Avoid long-term capital gains taxes.
- Reduce estate and gift taxes.
- Ensure that your impact on life saving services that benefit animals will continue long into the future.

## WHAT TO GIVE

### *Assets you can donate*

Any type of asset that you irrevocably donate to the Spartanburg Humane Society will result in a current income tax deduction, but there may be other tax benefits to gain.

If you donate appreciated securities that you have held for more than one year, you have the added benefit of avoiding the taxes on any gains.

You can also give us tangible personal property (like antiques, motor vehicles, or prized collections) and take a deduction for its full fair market value.

These are just two types of assets you can donate to us. Using assets other than cash allows you more flexibility when planning your gift.

#### ***POTENTIAL BENEFITS***

- Receive a current income tax deduction and get relief from capital gains tax for gifts of securities.
- Make meaningful gifts with donations of personal property while receiving a tax deduction for the full fair market value.

#### ***FOR EXAMPLE***

If compassion and dedication were enough to care for homeless animals, the Spartanburg Humane Society would not have to rely on financial support from the community. However, the costs of meeting the basic needs of thousands of animals, with vaccines, microchips, even tap water, add up. For as long as friends like you help us to meet these costs, the Spartanburg Humane Society will continue to be here to make sure as many animals as possible are protected, because we know--as you do--that their lives are priceless.

## EXAMPLE

### *DONOR*

James has stocks currently valued at \$20,000 that he purchased for \$4,000 several years ago, which will result in a \$16,000 capital gain if he sells the securities. He is in a 35 percent marginal income tax bracket.

### *TAX-SAVING STRATEGY*

James donates his stock to the Spartanburg Humane Society.

### *POTENTIAL BENEFITS*

- James receives an income tax charitable deduction for the full fair market value of \$20,000 - saving him \$7,000 ( $\$20,000 \times 35\%$ ) in income taxes.
- James bypasses the \$16,000 capital gain, saving \$2,400 in his 15 percent capital gains tax bracket ( $\$16,000 \times 15\%$ ).
- Total tax savings from capital gains and income taxes is \$9,400.
- For \$4,000, James can donate the full \$20,000 value of his stock to help the Humane Society save countless lives.

### *FOR EXAMPLE*

Microchips offer permanent identification for pets. The SHS makes sure that every animal who leaves the shelter is chipped so that she can be reunited with her owner if lost. A year's supply of microchips costs the Society over \$25,000.

## **A CURRENT WILL OR TRUST**

*Vital documents that ensure your legacy*

Have you put off making or updating your will or living trust? Maybe you think it costs too much to do it. Possibly you are having a hard time deciding how to leave your money.

Could it be that you are just putting it off? Drafting these documents may seem like a daunting task at first, until you realize all the good that comes from having them.

A bequest from either a will or a living trust lets you pass any amount you wish to the SHS free of estate tax. You can give cash, specific property (such as your home), or a percentage of your estate.

Proper estate planning will reduce your overall taxes, leaving more of your estate to be used for what you wish. To be sure you accomplish your goals, you should consult an attorney specializing in estate planning.

### ***POTENTIAL BENEFITS***

- Provide for your family after your death.
- Distribute your assets according to your wishes.
- Save on estate taxes with proper planning.
- Help animals without giving up assets.

### **FOR EXAMPLE**

Every puppy and dog adopted from the SHS receives three essential vaccinations against canine viruses, including rabies. Every adopted cat and kitten receives two essential vaccines against common feline viruses and rabies. Over one year, vaccines alone (not including syringe, needle, or time) will cost the Society over \$15,000.

## **LIFE INSURANCE**

*A versatile tool for many purposes*

The gift of one of your life insurance policies to the SHS could be a sensible, as well as generous, decision.

If you make us the owner of the policy, you will normally receive an income tax deduction for the policy's fair market value, or cash basis, if lower, on the date of the gift.

If you make us the beneficiary of the policy and retain ownership, you will receive an estate tax deduction for insurance proceeds. When you pay the premiums on the policy, they may also be deducted as a charitable contribution.

### ***POTENTIAL BENEFITS***

Name us as the owner:

- Receive a charitable deduction when you name us beneficiary and assign us ownership.
- Reduce your estate taxes because proceeds are removed from your estate.

Name us as beneficiary:

- Maintain flexibility by naming the SHS as beneficiary but keeping ownership
- Receive a charitable deduction when you pay the policy premiums.
- Help build the Humane Society's financial power to expand our impact in the community.

### **FOR EXAMPLE**

Proper cleaning and disinfection is a crucial function of operations at the SHS. The cost of cleaning supplies and equipment needed to care for over 16,000 animals a year is close to \$20,000.

# CHOOSE THE OPTION

THAT MATCHES YOUR GOALS

<b>YOUR GIFT</b>	Bequest	Outright gift of cash	Outright gift of securities	Outright gift of personal property	Gift of retirement assets
<b>YOUR GOAL</b>	Defer a gift until after your lifetime.	Make a quick and easy gift.	Avoid tax on capital gains.	Make a gift of personal property no longer needed and generate an income tax deduction.	Avoid the twofold taxation on IRAs or other employee benefit plans.
<b>HOW TO MAKE THE GIFT</b>	Name SHS in your will or living trust.	Simply write a check or make a cash donation now.	Contribute long-term appreciated stock or other securities.	Donate personal property to SHS.	Name SHS as the beneficiary of the remainder of assets after your lifetime.
<b>YOUR BENEFITS</b>	<ul style="list-style-type: none"> <li>• donation exempt from federal estate tax</li> <li>• control of your assets for your lifetime</li> </ul>	<ul style="list-style-type: none"> <li>• immediate charitable deduction</li> <li>• removes property from estate</li> </ul>	<ul style="list-style-type: none"> <li>• immediate charitable deduction</li> <li>• avoidance of capital gains tax</li> </ul>	<ul style="list-style-type: none"> <li>• charitable deduction based on the full fair market value</li> </ul>	<ul style="list-style-type: none"> <li>• allows you to make the gift from the most highly taxed assets, leaving better assets for your family</li> </ul>

***SHS Strongly recommends you obtain the professional counsel of an attorney or financial advisor who specializes in estate planning.***

Gift of real estate	Retained life estate	Gift of life insurance	Charitable remainder trust	Charitable gift annuity	Charitable lead trust
<p>Make a gift of property no longer needed and generate an income tax deduction.</p>	<p>Donate your personal residence or farm now, but continue to live there.</p>	<p>Make a large gift with little cost to yourself.</p>	<p>Secure a fixed and often increased income, or create a hedge against inflation.</p>	<p>Supplement income with steady payments that are partially tax-free.</p>	<p>Reduce gift and estate taxes on assets you pass to children or grandchildren.</p>
<p>Donate the property to SHS.</p>	<p>Designate ownership of your home to SHS but retain occupancy.</p>	<p>Change ownership on a life insurance policy you no longer need.</p>	<p>Create a trust that pays income annually; principal is retained for charitable organizations.</p>	<p>Establish a charitable gift annuity contract with SHS that pays a set amount for life.</p>	<p>Create a charitable trust that pays fixed or variable income to SHS for a specific term of years; principal is retained for heirs.</p>
<ul style="list-style-type: none"> <li>• immediate income tax deduction</li> <li>• reduction or elimination of capital gains tax</li> </ul>	<ul style="list-style-type: none"> <li>• valuable charitable income tax deduction</li> <li>• lifetime use of residence</li> </ul>	<ul style="list-style-type: none"> <li>• current income tax deduction</li> <li>• possible future deductions through gifts to pay policy premium</li> </ul>	<ul style="list-style-type: none"> <li>• variable or fixed income for life</li> <li>• immediate income tax charitable deduction</li> </ul>	<ul style="list-style-type: none"> <li>• current and future savings on income tax</li> <li>• fixed payments for life for one or two individuals</li> </ul>	<ul style="list-style-type: none"> <li>• reduces your taxable estate</li> <li>• property kept by your family, often with reduced gift taxes</li> </ul>

## CHARITABLE REMAINDER TRUSTS

### *A gift to us with predictable benefits to you*

CRT's are a great way to receive predictable income levels for you throughout your life and the life of your beneficiary (if you choose) while still leaving your gift to the animals for the future.

In a sense, these trusts allow you to give away the tree but continue getting the fruit since you continue to receive an income stream from your gift.

There are several types of CRT's and your financial advisor can provide guidance on the best option for your goals. Two examples are a charitable remainder annuity trust, which pays a fixed dollar amount to you annually, and a charitable remainder unitrust, which pays a fixed percentage of the trust's value annually.

### **POTENTIAL BENEFITS**

- Receive predictable income paid annually, quarterly, or even monthly.
- Avoid capital gains tax on the donated assets used to fund the trust.
- Receive an income tax deduction for the fair market value of the remainder interest passing to the SHS.
- Assets are removed from your estate, reducing estate taxes.
- Relieve the Humane Society's constant burden to raise funds for operations, allowing its leaders to focus on results.

### **FOR EXAMPLE**

Keeping our animals cool in the summer and warm during colder months is an essential part of their care. The annual cost to power our facility is \$36,000.

## CHARITABLE LEAD TRUSTS

*Preserve an inheritance for your beneficiaries*

A CLT is basically the opposite of a Charitable Remainder Trust. This strategy will allow you to pass assets to your family with significant estate tax savings while making annual gifts to us during your life or the term of the trust.

After the SHS receives interest income for a period of years, the principal goes to your family, with estate or gift taxes usually greatly reduced or even eliminated.

The lead trust is an exceptional way to transfer assets to your children or other heirs at minimal tax cost. It is ideal if you are willing to forgo investment income but do not want estate taxes to reduce the principal passed to heirs.

### **POTENTIAL BENEFITS**

- Reduce your taxable estate and potential gift taxes.
- Keep assets in your family.
- Fund the trust during your lifetime or through your will.
- Witness your gift's impact on our shared mission, to protect animals.

### **FOR EXAMPLE**

Heartworm disease in dogs and Feline Leukemia in cats are potentially deadly diseases. The SHS feels strongly that we must screen animals for these illnesses prior to adoption. Test kits to make these diagnoses cost the Society approximately \$15,000.00 a year.

## REAL ESTATE

### *A tax-wise gift*

Are you thinking about selling land or a building? If so, beware of capital gains tax. If you sell your primary residence you may have an exclusion for some of the gains, but this tax break does not apply to other types of real estate. A gift of real estate will give you numerous tax advantages.

We know that you may like the tax advantage that a charitable gift of real estate would offer, but you might want to continue living in your personal residence for your lifetime.

A gift option called Retained Life Estate allows you to give us your home AND continue to live there, allowing you to have it both ways!

A gift of your primary home, vacation home, condominium, or farm, with a reservation of the right to use it for life, results in a charitable deduction on your income tax return.

#### ***BENEFITS - Depending on your choice of gift you may:***

- Receive a deduction for the full fair market value of the gifted interest.
- Avoid tax on your property's appreciation.
- Reduce your estate taxes.
- Continue to use the residence for the rest of your life and/or another person's life.
- Avoid the hassle of trying to sell the property.
- Transform your property into a gift of love and life.

#### **FOR EXAMPLE**

The SHS receives many dogs and cats that are infested with fleas and ticks, parasites that can make animals sick as well as very uncomfortable. Over one year the Society can spend up to \$15,000 on products that enable us to offer our animals relief and protection from fleas and ticks.

## YOUR RETIREMENT PLAN ASSETS

### *Costly to inherit*

Did you know that most retirement plan assets face double taxation? Assets remaining in retirement plans funded with pretax dollars are considered "income in respect of a decedent." So not only may the amount be diminished by estate taxes, but the recipient also must pay income taxes on it!

If you can make other provisions for your family, there is a better option for your retirement plan assets - a charitable gift for the animals in our community.

To implement your wishes, first consult your advisor, then instruct the plan administrator of your decision and sign whatever forms are required. For a plan you administer personally, notify the custodian in writing and keep a copy with your valuable papers.

### **POTENTIAL BENEFITS**

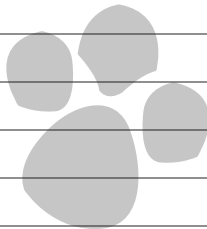
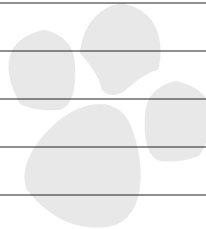
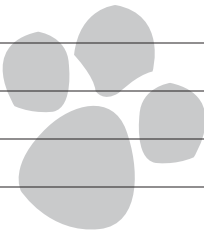
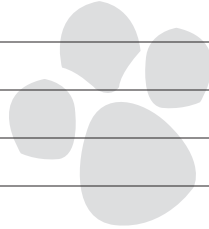
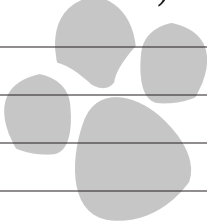
- Avoid all income and estate taxes when you name us as the beneficiary.
- Receive a partial savings by giving us a specific amount before giving your heirs the remainder.
- Donating retirement plan assets may be the most cost effective gift you can make.
- Partner with the Humane Society to provide long term benefits for the animals that most need help.

### **FOR EXAMPLE**

If you stop to think about it, a lot of water is needed to meet the demand of 16,000 plus thirsty cats and dogs as well as constant cleaning and disinfecting. Our water bills add up to nearly \$10,000 a year.

## NOTES

*If you would like to learn more about specific programs you can support, contact SHS President and CEO Sandy Christiansen at 864-583-4805, ext. 104*



Thank you, Allegra, for making this publication possible.  
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In the early 1960's, hundreds of stray animals ran free throughout Spartanburg County, threatening public safety. Animal control as we know it did not exist and dogs and cats were treated as pests. Methods of dealing with these unfortunate animals were primitive and inhumane. A group of concerned citizens led by Mary Frances Grimes joined together to provide a humane alternative for controlling the stray animal population, incorporating the Spartanburg Animal Welfare League (SAWL) on April 9th, 1964. In 1998 SAWL began operating as the Spartanburg Humane Society, opening our current facility on Dexter Road.

Today the Spartanburg Humane Society houses and cares for between 16,000 and 17,000 animals a year. Our adoption department matches pets in need with loving families. We promote humane principals through education and outreach programs such as Junior Humane and Camp Love-A-Pet. Our veterinary clinic

performs thousands of spay and neuter surgeries a year in our ongoing effort to prevent litters and save lives. Our beautiful Remembrance Garden celebrates the special place companion animals hold in our lives. Seven days a week, three hundred and sixty five days a year, the Spartanburg Humane Society celebrates the special bond between humans and animals in this community.



Our Board of Directors guides our vision, which is carried out by committed, knowledgeable, and skilled staff members. But the strength and capacity of the Spartanburg Humane Society ultimately reflects the extent to which community members support our mission. At the end of the day, friends like you determine the scope and reach of our services.

*Thank you for helping us to continue this vital tradition of caring and compassion for those who cannot speak for themselves.*



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