

# **Guide to Charitable Giving at the Devon Horse Show & Country Fair Foundation**

As a 501(c)3, nonprofit organization, the Devon Horse Show and Country Fair Foundation relies on your support to make improvements necessary to ensure its position as one of the premier equestrian event facilities in the country and maintain the classic charm of the Country Fair.

The Foundation is organized and operated to perform the charitable and educational purposes of the Devon Horse Show and Country Fair, Inc.

## **Ways of Giving**

Charitable giving does not require great wealth. What it does require is generosity of spirit - the desire to share what you have for the benefit of others. We are committed to ensuring that your gift makes a real and enduring impact.

## **Outright Gifts**

Outright gifts are the most popular way of donating and the advantages of making an outright gift are many:

- It's an easy, efficient way to support Devon and its mission;
- You usually receive a charitable deduction for the full value of the gift in the year you make it, as allowed by law;
- The deduction can reduce the net cost of your gift, possibly allowing you to contribute more than you initially planned;
- There are no complex financial documents to fill out;
- You have the satisfaction of offering direct charitable support that furthers Devon's mission; and
- You receive other benefits depending on the type of gift: cash, real estate, or appreciated securities.

## **Cash Gifts**

There are Three Easy Ways to Make a Cash Gift:

1. **Send a check or money order** payable to the "Devon Horse Show and Country Fair Foundation" at the following address:

P.O. Box 865  
Devon, PA 19333

2. **Make a gift using your credit card either online or by phone.**  
Devonhorseshow.org – Sponsorship and Support Section. Then select The Foundation.  
Or contact Paul Saylor, Director of Finance  
(610) 964-0550 Ext. 217
3. **Make a pledge and fulfill it over time with smaller, convenient payments.**  
You can elect to receive payment reminders.  
Please contact Paul Saylor, Director of Finance for details.  
(610) 964-0550 Ext. 217

### **Don't Forget Matching Gifts**

Increase your gift to Devon with a matching gift from your employer. Check with your company to see if it offers a matching gift program. If it does, you may be able to double your support to Devon. You should check with your employer's Human Resources office for the appropriate form to secure the match offered.

### **Memorial or Tribute Gifts**

If you would like to memorialize or pay tribute to someone with a gift to Devon, we will notify their spouse, children, or other loved one of your tribute. Please provide the name and address of the person to be notified. The amount of your gift will remain confidential.

### **Other Types of Outright Gifts**

While cash is the most often-used way to make an outright gift, there are other ways that you can give immediate support to Devon.

### **Gifts of Securities**

Contributing long-term appreciated securities, such as marketable stock, bonds, or mutual fund shares, to Devon provides a two-fold income tax benefit: a charitable deduction for the present fair market value of the securities contributed, and no tax on the appreciation.

The limit on deductibility in any tax year is 30% of your adjusted gross income; any excess is deductible over the next five years. If you want to give securities on which you have a loss, consider selling them instead and donating the proceeds to Devon. You will then benefit from a loss deduction in addition to the charitable deduction.

### **Shares Held in Certificate Form**

The simplest form of delivery is to mail the shares to Devon. You will need a stock power of attorney ("stock power") with a signature guarantee to transfer ownership.

Place the unsigned certificates and a cover letter expressing your intention to give the securities to Devon in one envelope. In a separate envelope, place the signed stock power and a copy of your cover letter. Mail both envelopes at the same time to Devon's address:

P.O. Box 865,  
Devon, PA 19333

It is preferable to send via registered mail. This ensures that the certificates are not negotiable until both envelopes are received.

## **Gifts of Mutual Fund Shares**

Gifts of mutual fund shares for funds invested in stocks and bonds are similar to gifts of securities. You transfer ownership to Devon and you are entitled to an income tax deduction for the value of the shares, known as the Net Asset Value (NAV), on the date Devon assumes control of them.

The capital gain treatment of contributions of mutual fund shares is also similar to that of individual securities. If the gift is outright, no capital gains tax is due. Gifts of mutual funds generally require Devon to establish an account with the company administering the fund, and for this reason extra time should be allowed for this kind of transfer.

## **Determining the Value of Your Gift of Securities**

Whether you mail the shares, deliver them in person, or transfer them electronically to the Devon's account, the date of transfer will determine the value of your gift for tax purposes. If you mail certificates to us, the transfer date will be the postmark date. If you deliver them to a Devon staff member, the transfer date will be the date that our staff takes possession. If you work through a broker, the transfer will occur, for tax purposes, when the shares have been delivered to Devon's account. In all these cases, the value of the gift will be the average of the high and low prices for the security on the transfer date, as quoted in the *Wall Street Journal*.

## **Gifts of Closely Held Stock**

The benefits of a gift of closely held stock are not unlike those of appreciated, publicly traded securities. You save taxes twice: first with a personal income tax charitable deduction for the fair market value of the stock, and also by avoiding capital gain tax on the appreciation.

The additional benefit of this gift arrangement may be realized through the subsequent sale of the corporation's shares by Devon back to the corporation. You would maintain control of the corporation. The corporation's redemption of the stock reduces accumulated earnings and the accompanying tax liability, and the stock is removed from your taxable estate. As long as Devon is not legally bound to sell the shares it receives, you will not be treated as having received a dividend or realized a capital gain. Neither a sale nor redemption can be arranged prior to your making the gift to Devon.

## **Gifts of Real Estate**

Residential, commercial or investment real estate can be donated to Devon. The Foundation will manage or sell the property and the rental income or net sale proceeds will benefit Devon programs.

Gifts of real estate require a qualified appraisal and an environmental survey. You can claim a charitable deduction for the fair market value of real estate held for more than one year.

## **Gifts of Tangible Personal Property**

Perhaps you would like to contribute an art object, prized collection, or antiques. Such property can be donated but please be aware that tangible personal property is subject to special IRS rules. Depending on the nature of the property, your eligible tax deduction may vary.

## **Future Gifts that Require Some Planning**

A little planning can help you make a simple, powerful gift that benefits Devon while fulfilling your estate planning and philanthropic goals. These gifts most often fall into three categories:

**Gifts Anyone Can Afford**, which do not affect your current cash flow

**Gifts that Protect Your Assets**, which allow you to pass on more to your heirs and save on taxes

**Gifts that Pay You Income**, which provide you, and/or additional beneficiaries with secure payments for life

As you consider your estate plans and the eventual disposition of your assets to family and loved ones, Devon stands ready to assist you and work with your advisors in the event you choose to include Devon in your plans.

## **Gifts Anyone Can Afford**

### **Bequests**

A time-honored way to leave a lasting legacy to the charities you have appreciated and supported during your lifetime, a bequest is a gift you make by naming Devon in your will or living trust. The bequest can be written as an outright amount, a percentage of the estate, or the residue of the estate. Bequests are an opportunity for you to make a gift larger than is possible during your lifetime. It is recommended that you consult with your attorney for guidance in structuring or editing your estate plans so that your charitable objectives are fulfilled.

### **Gifts of Retirement Assets**

You can name Devon as a primary or partial beneficiary of your 401(k), 403(b) or IRA by updating the beneficiary designation form from your plan's administrator. Often, this change can be accomplished easily online! It is particularly beneficial to donate retirement assets to charity because they are some of the most heavily-taxed assets – both when distributed to you and when left in your estate.

If you are 70 ½ or older, you may be able to make a gift from your IRA that both counts toward your required minimum distribution and removes the donated amount from your taxable income. The IRA charitable rollover was first introduced in 2006, and has been available in several years since then, depending on annual tax laws. Check with Devon to determine whether the rollover is in effect if you are considering this type of gift.

## **Gifts that Protect Your Assets**

### **Retained Life Estate**

For those who have enjoyed many years in their homes or farms and anticipate living out their remaining years there, a retained life estate may be an attractive way to support Devon. The gift entails deeding over the future interest in your home or farm and retaining the right to live there for the rest of your life or a specified term of years. You receive a charitable deduction for the present value of Devon's future interest in your property and maintain the property as you always have. When your life interest ends, Devon can then use the property as determined by you.

### **Charitable Lead Trust**

Those possessing large estates and looking for ways to pass along more assets to family and loved ones should consider the benefits of a charitable lead trust. This form of gift allows you to support Devon with a stream of income for a term of years and also significantly reduce gift and estate taxes in transferring remaining trust assets to loved ones. You can contact Devon for more information about this type of gift and how it would allow you to transfer more wealth to those closest to you.

## **Gifts that Pay You Income (Life-Income Gifts)**

In general, all life-income gifts provide the following benefits:

- A stream of income for the lifetime of the donor and/or additional beneficiaries
- A charitable income tax deduction
- An opportunity to benefit the mission of Devon either through the outright use of the remainder from your gift or through the establishment of an endowed fund in your name or the name of a loved one
- Possible avoidance of capital gains taxes on gifts of appreciated property
- A reduction in federal estate taxes.

## **Charitable Gift Annuity**

Under a Gift Annuity agreement you make an irrevocable transfer of cash or securities to Devon in return for Devon's contractual promise to pay you annual, fixed, guaranteed payments for life. The amount of the annual payment – usually paid in quarterly installments – is based upon the gift amount and your age at the inception of the annuity. A Charitable Gift Annuity is appropriate for donors who like the idea of receiving fixed income on which they can depend, regardless of the economic or stock market conditions. Depending on your age, you can set up either an arrangement where payments begin immediately, or a deferred gift annuity if you want to contribute now but defer receiving these payments until later, usually at retirement. Some states regulate charitable gift annuities funded by their residents, therefore please contact Devon for more detailed information.

## **Charitable Remainder Trust**

A Charitable Remainder Trust is an individually managed trust that pays one or two beneficiaries a specified percent (by law, at least 5%) of the trust's fair market value. In a *charitable remainder annuity trust* the income is based on a specified percent of the trust's fair market value and remains the same each year. In a *charitable remainder unitrust* the income is based on a specified percent of the trust's fair market value as re-valued annually, and will vary from year to year. In either case, after the death of the

beneficiary, the trust assets become the property of Devon to be used as you have specified in the trust document.

An annuity trust is usually selected when you want to receive a fixed payment for life. For example, if you establish a trust, fund it with property worth \$100,000 and elect a payout percentage of 5%, you will receive \$5,000 a year for life. However, if you are concerned about inflation and how to offset it, you can usually select a unitrust, which will pay more income if trust assets grow in value.

You may select a bank as trustee or request Devon to serve this role if Devon is the sole beneficiary of your trust. If Devon is asked to serve as a trustee it will do so without charge to you and your trust.

***This information is not intended as legal or tax advice. We encourage you to consult with your own advisors before making a charitable gift.***

