GIFT PLANNING OPPORTUNITIES TO BENEFIT CHAUTAUQUA
Planning a gift is an investment in the future of Chautauqua, a prudent way to make a lasting difference, and a way to accomplish your financial and philanthropic goals. Many Chautauquans and friends have supported the future of the Institution by remembering Chautauqua in their plans – and now enjoy the peace of mind that comes with making a difference, and leaving a legacy that family members and friends will honor and remember.

Based on the gift plan you choose, you can benefit in one or more of the following ways:

- Lifetime income – for you and/or another
- Tax-saving gifts to children and grandchildren
- Income tax savings
- Elimination of federal estate tax
- Capital gains tax savings
- Fulfillment of philanthropic goals

With these benefits, the opportunity exists for you to make a much greater charitable impact than you perhaps before thought possible. In many instances, your gift can be directed toward a named permanent endowment for scholarships, program needs, or other areas that effectively help secure the future of Chautauqua.

The following pages contain gift planning ideas and examples that we hope will spark your interest and desire to consider a planned gift in support of Chautauqua.
Bequests are by far the most common and often simplest way to plan a gift for the benefit of Chautauqua. You can include Chautauqua in your will either as a percentage of your estate or for a specific dollar amount. You can also create a revocable trust that provides income to a selected beneficiary, and afterwards, the remainder is given to Chautauqua. With a bequest you do not have to part with any of your assets during your lifetime. You may also eliminate or reduce federal estate taxes.

A simple bequest can be made in one of the following ways:

- **Specific Bequest:** Name Chautauqua Foundation, Inc. as a beneficiary of your estate.

- **Residuary Bequest:** Once all estate obligations have been satisfied, i.e., taxes, debts, expenses, as well as other bequests, all or a part of what remains is given to Chautauqua.

- **Contingent Bequest:** This type of bequest is conditioned on the occurrence of an event, i.e., one or more of your beneficiaries predecease you, in which case, Chautauqua becomes the beneficiary.

Bequest provisions should be made to: Chautauqua Foundation, Inc.

The following language may be helpful as you create or revise your will:

I give ($______) (or a specific asset such as securities, real estate or other property), or (___ percent) of the rest, residue and remainder of my estate to Chautauqua Foundation, Inc., in Chautauqua, New York, for its general support of Chautauqua Institution.
LIFE INCOME GIFTS

A life income gift offers a stream of income for your life, and/or a family member or someone you name in exchange for making an irrevocable gift. A contribution of cash or marketable securities is made to a trustee who manages the assets and pays the designated beneficiary income for life or, depending on the gift type, for a predetermined term.

Charitable Remainder Trust

A charitable remainder trust offers a variable income to the donor or other beneficiaries for life or for a term of up to 20 years. In addition to cash or securities, a charitable remainder trust can be funded with real estate or tangible property. A pay-out rate is determined together by the donor and Chautauqua, and the trust is re-valued each year. The income varies based on the investment performance. The recommended minimum amount to fund a charitable remainder trust is $100,000.

Example: Margaret and Tom Jones are both 68 years old and want to add to their existing lecture program endowment at Chautauqua. They don’t want to part with any cash now, however, as they have recently retired and are concerned about an income stream. They own $200,000 in appreciated stock that pays them 2% ($4,000) annually.

They don’t want to sell the appreciated stock, because they would have to pay capital gains tax. Instead, they decide to fund a charitable remainder unitrust with a 5 percent pay-out rate. This will pay them $10,000 in the first year they establish the trust. In addition, they receive a charitable income-tax deduction of $78,240.

At the end of the Jones’ lives, what remains in the trust is transferred to Chautauqua to support their existing lecture program endowment. Based on the average life expectancies of the Joneses, Chautauqua would ultimately receive a gift of $383,221, assuming a rate of return of 8%.
Chautauqua’s pooled life income fund is a special trust that operates very much like mutual fund shares. An irrevocable gift is made, and each named beneficiary (up to two) receives a proportionate share of the net income earned by the fund each year. Upon the death of the income beneficiary, a portion of the fund representing the value of the units assigned to that beneficiary will be distributed to Chautauqua’s permanent endowment. The donor receives an immediate charitable income tax deduction for the present value of the remainder. The minimum amount to participate in this fund is $5,000, and additional contributions can be made at any time.

Example: George and Ann Lamplighter are 72 and 70 years old, respectively. They want to support Chautauqua, and have securities worth $50,000 that they originally purchased for $5,000. They would like to make a gift of stock to Chautauqua but are concerned about losing the $800 in annual income that they rely upon. By transferring securities to the pooled income fund, George and Ann convert their assets into an arrangement paying an initial variable income of $2,100 annually (more than twice the former stock’s annual dividend). They will continue to receive payments until their deaths. George and Ann also receive a charitable income tax deduction of $23,216 and avoid capital gains taxes of $6,750 or more.
The charitable lead trust is the reverse of the charitable remainder trust in that it provides a stream of income to Chautauqua for a term of years – of any length – after which the trust assets, including any appreciation, revert to the donor or are passed to beneficiaries you choose, i.e, children or grandchildren. If assets are passed to heirs, the reduction in the gift transfer tax is sizeable and could be eliminated.

Those for whom a lead trust might be appropriate:

- Individuals with income-producing asset(s) who do not need the income for a period of years.
- Individuals who would benefit from a large tax deduction in the year the trust is established but eventually want to recover the asset.
- Individuals who want to defer distribution of assets to heirs.
Retained Life Estate: A gift of a personal residence or a vacation home, particularly if highly appreciated, can be a very beneficial way for you to make a significant gift to Chautauqua, while retaining the right to live in the home for the rest of your life. If the gifted property is highly appreciated, there is potential for a significant charitable deduction and the avoidance of capital gains tax.

Example: Sarah Grant is 80 years old and has owned a home for 20 years at Chautauqua. She wants to establish an endowment fund for the performing arts, but cannot part with any money now. In fact she could use some additional income this year. She decides to donate her house to Chautauqua, but retain the right to live in it until her death. Sarah receives a tax deduction for $239,974 in the year she donates her home, and her endowment fund will be established at her death, with the proceeds from the sale of the home by Chautauqua.

There are other types of real estate Chautauqua accepts as gifts, such as undeveloped land, farmland, and rental property. Each has its own tax advantages and a representative from the Chautauqua Foundation would be pleased to discuss options with you.
Planning a gift such as any illustrated in these pages offers an excellent way to provide major support for Chautauqua, while realizing personal philanthropic and financial goals. It is a way to demonstrate to future generations what was important to you, and set an example of responsible citizenry.

All planned gifts designated to the Chautauqua Foundation, Inc., are added to its endowment for the benefit of Chautauqua Institution.
Eleanor B. Daugherty was a Chautauquan and retired music teacher from Buffalo, New York. Her generous bequest to Chautauqua created an enduring legacy and a permanent mark on the Institution, illustrating to others what is possible with a bit of foresight and thoughtful planning.

By making a planned gift to Chautauqua, you are entitled to become a member of the Eleanor B. Daugherty Society, a group of special friends who have included Chautauqua in their will or other estate plans. Society members receive many benefits during the Chautauqua summer season and most important, membership gives us the opportunity to thank and recognize you for your generosity in helping to ensure Chautauqua’s future.

(Requests for anonymity are respected.)
A representative from Chautauqua’s Gift Planning Office would be pleased to consult with you and/or your advisor(s) on ways to make the most tax efficient gift possible, without obligation. All discussions are confidential.

We invite you to contact:

Chautauqua Foundation, Inc.
Gift Planning Office
P.O. Box 28
Chautauqua, New York 14722
716.357.6244

*You should consult your professional advisors regarding the applicability to your own financial situation of the gift plan examples contained herein.
Please contact me about:

- Bequests
- Pooled Life Income Fund
- Retained Life Estate / Other Real Estate
- Charitable Remainder Trust
- Charitable Lead Trust
- Unsure at this time — Please contact me to discuss options.

Name: ____________________________

Street Address: ________________________

City: ____________________________

State: ____________________________

Zip: ____________________________

Telephone (Day): ________________________

Telephone (Evening): ________________________

Chautauqua Affiliations: ________________________

email: ____________________________