

The Charitable Bequest

A Future Gift for HSU Students, Faculty and Programs —
That Costs You Nothing to Make Today



What is a Charitable Bequest?

A charitable bequest is a gift traditionally made through a will that enables you to make a significant contribution to the future educational, research and public service programs of Humboldt State University (HSU). Today charitable bequests can also be made through a living trust or a beneficiary designation on a financial account.

Almost anyone can afford to make a charitable bequest *and* provide for loved ones—you *can be a philanthropist*. Plus, a charitable bequest costs you nothing to make today because you retain full control of your assets during life.

Botany Professor Michael Mesler leads his class through a pollination biology lab



Planning a Charitable Bequest

Planning a charitable bequest is one component of an overall financial, tax, and estate planning process. The process begins by asking: ***What will I do with what I've built during my life?*** It's an important question. Without thoughtful planning, your 'nest egg' could be squandered through taxes, probate costs, and distributions to unintended beneficiaries. While you may not think of yourself as having an 'estate,' you do—and almost everyone needs an estate plan.

While it is tempting to procrastinate, the planning process is quick and easy for most people, and charitable bequests usually take one of two forms:

- ▶ **Easiest: Name Humboldt State University as a Beneficiary of Your Individual Retirement Account (IRA), Qualified Retirement Plan, or other Financial Account.** Simply request a beneficiary designation form from your plan administrator, and include HSU as a sole or partial beneficiary (based on a percentage of the value) of the plan or account. Or name HSU as a contingent beneficiary to be paid only if other beneficiaries are no longer alive. **Since IRAs and qualified retirement plans are reduced by income taxes when passed to loved ones other than a spouse,**

by naming HSU as a beneficiary, you can eliminate some or all of the income taxes due.

In fact, leaving other resources (such as appreciated stock, life insurance, or the family home) to loved ones often results in a greater gift to them than passing on a taxable retirement account.

- ▶ **Easy: Include Humboldt State University as a Beneficiary of Your Will or Living Trust.** If you don't have a will and/or living trust, now is the time to complete that important task. ***Sample wording to include a charitable bequest to support HSU in your will or trust is included on page 3 and 4.*** Our planned giving staff can also work with you and your attorney to draft special bequest wording if you have specific ideas about how your future gift should be used at HSU. If you already have a will or living trust, it is easy to add a short paragraph, called a 'codicil,' to your existing document—and our staff can help.

Planning Ideas

Thoughtful planning ensures that you minimize taxes, provide the right benefit to the right beneficiary, and pass on your life's work—in terms of both finances and values—to the people and programs that you most care about. As you plan, keep these ideas in mind:

Structure Your Future Gift

Charitable bequests can be structured in several ways. You can:

- ▶ **Give a specific dollar amount or a percentage of your estate.** A percentage is usually a better approach since it is difficult to know the ultimate size of your estate.

Charitable bequests cost nothing during life, but they can change the lives of future HSU students and faculty, touching a world we can now only imagine.

TOP IMAGES LEFT TO RIGHT: Collaborative mural painting on the Art Quad, Kinesiology Professor Young Sub Quon and students, Oceanography students on the Research Vessel Coral Sea, Child Development Professor Kishan Lara-Cooper, HSU Jacks Football

Charitable Bequests — *Sample Bequest Wording*



LEFT: Professor Jeff Black's class reviews wildlife research techniques during a field trip to Blue Lake, CA
RIGHT: Donor Ann Wood with a recipient of the Frank B. Wood Scholarship



GENERAL BEQUEST:

I give to Humboldt State University Advancement Foundation (HSUAF), a charitable foundation supporting the mission of Humboldt State University (HSU), located in Arcata, CA, (a percentage of the estate, specific dollar amount, remainder of estate after all other bequests & expenses, etc.) to be used for its general support and charitable purposes without restriction.

RESTRICTED BEQUEST

I give to Humboldt State University Advancement Foundation (HSUAF), a charitable foundation supporting the mission of Humboldt State University (HSU), located in Arcata, CA, (a percentage of the estate, specific dollar amount, remainder of estate after all other bequests & expenses, etc.) to be used for (describe how your gift is to be used, such as for scholarships, to support an academic department or HSU program, etc.). If at any time, it becomes impossible or impractical for my gift to be used for the above charitable purpose, HSUAF shall use my gift for a purpose and in a manner that most closely meets the above charitable purpose.

Humboldt State University Advancement Foundation (HSUAF) is the philanthropic foundation supporting Humboldt State University. All charitable gifts to HSU should be made through the HSUAF.

BEQUEST TO ESTABLISH A NAMED ENDOWMENT FUND

I give to Humboldt State University Advancement Foundation (HSUAF), a charitable foundation supporting the mission of Humboldt State University (HSU), located in Arcata, CA, (a percentage of the estate, specific dollar amount, remainder of estate after all other bequests & expenses, etc.) to be used to establish a permanent endowment fund to be named (state the name you would like for the fund) hereafter referred to as The Fund. The Fund shall be managed by HSUAF subject to its investment and spending policies, and the income from The Fund, as defined by those policies, shall be used for (describe how your gift is to be used, such as for scholarships, to support an academic department or HSU program, etc.). If my gift is below the minimum level required to establish an endowment at HSUAF, or if, at any time, it becomes impossible or impractical for The Fund established by my gift to be used for the above charitable purpose, HSUAF shall use my gift or The Fund for a purpose and in a manner that most closely meets the above charitable purpose.

BENEFICIARY DESIGNATION ON AN ACCOUNT

To designate all or a portion of an IRA, qualified retirement plan, or financial account for the benefit of Humboldt State University, please use the following information on the beneficiary designation form:

Charity Legal Name:

Humboldt State University Advancement Foundation

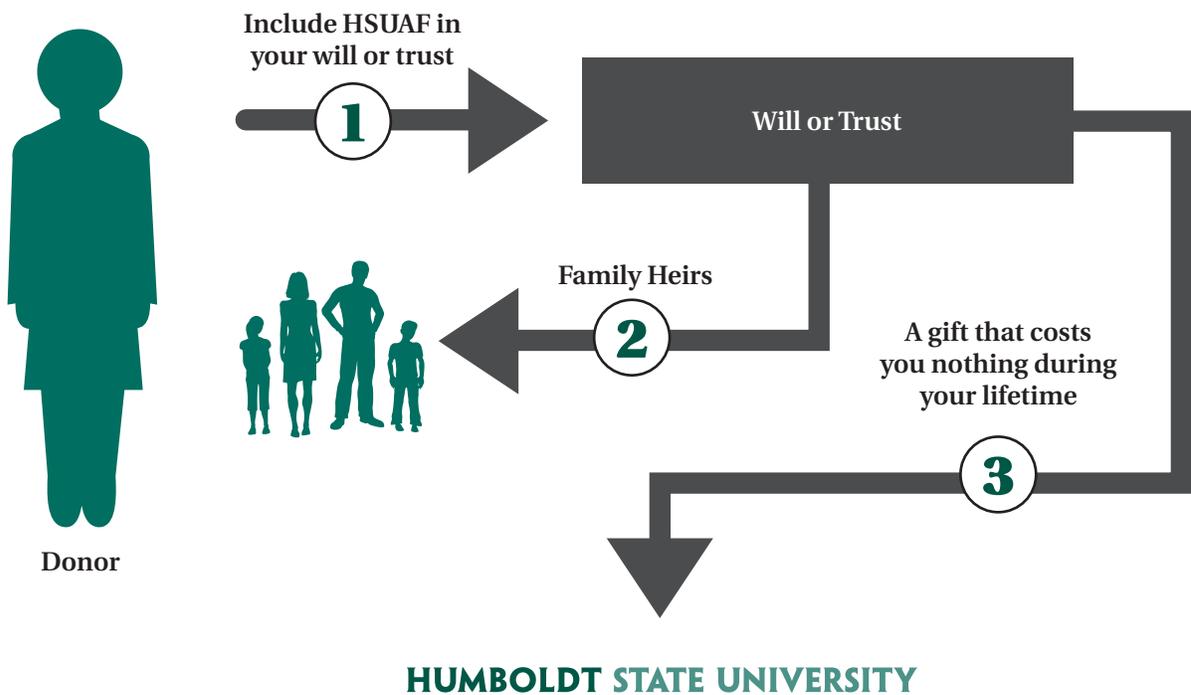
IRS Tax ID Number: 94-6077724 **Charitable Bequest 3**

visit us online:
humboldt.edu/giftplanning

Tax-wise planning to meet your financial, estate and charitable goals.

HUMBOLDT STATE UNIVERSITY

Charitable Bequests From Your Will or Trust



How it works:

- ▶ Include a bequest to Humboldt State University Advancement Foundation (HSUAF) in your will or trust. HSUAF is the philanthropic foundation supporting Humboldt State University.
- ▶ Make your bequest unrestricted or direct it to a specific purpose at HSU.
- ▶ Indicate a specific amount, or a percentage of the balance remaining in your estate or trust.

Benefits:

- ▶ Your assets remain in your control during your lifetime.
- ▶ You can modify your bequest to address changing circumstances.
- ▶ You can direct your bequest to a particular purpose (be sure to check with us to make sure your gift can be used as intended).
- ▶ You may reduce or avoid potential estate taxes through your bequest.

Contact us for information and professional counsel, without cost, in exploring a full range of charitable planning options:

Office of Philanthropy, Humboldt State University, 1 Harpst Street, Arcata, CA 95521

(707) 826-5101 • giving@humboldt.edu

visit us online:
humboldt.edu/giftplanning

Tax-wise planning to meet your financial, estate and charitable goals.

HUMBOLDT STATE UNIVERSITY



- ▶ **Give the remainder, or residue, of your estate** after all other expenses and non-charitable bequests are distributed.
- ▶ **Make your charitable bequest contingent on other elements** in your will or trust. For instance, a gift might only be provided to HSU if other beneficiaries are no longer alive or unable to meet certain conditions that you define.
- ▶ **Decide how your future gift will be used**, such as to support scholarships, a specific academic department, or a special area of interest to you. However, keep in mind that since your charitable bequest may not come to HSU for many years, general bequests are the most valuable. Less restrictive bequests help us respond to new opportunities or challenges that only the future can reveal.
- ▶ **Create a named endowment fund** at HSU to honor your family or others that will provide annual funding for student, faculty or program needs in perpetuity. Named endowment funds, established either during life or through a charitable bequest, require a major gift to establish (*the current minimum is \$25,000*), allowing you to make a difference at HSU every year. Your gift is invested for long-term growth, and only the income is used annually—enabling your gift and your values to endure for generations.
- ▶ **Discuss your plans with us** before you finalize your charitable bequest. Let us confirm that we can fulfill your gift intentions, and let us say ‘thank you.’ Sometimes donors plan gifts that HSU can’t accept for legal or practical reasons. Our planned giving staff has the expertise to provide confidential counsel and alternative strategies to ensure that the goals of your charitable bequest can be achieved (*and our services are free*).

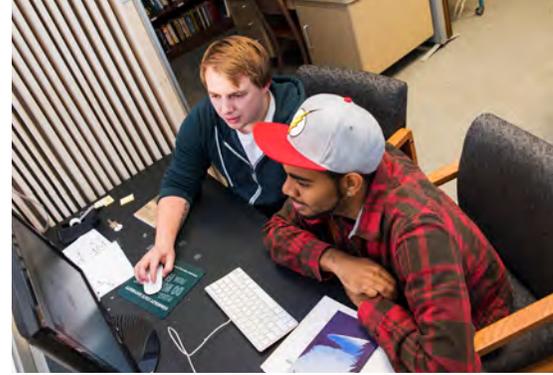
Other Considerations

Engage Professional Advisors: While it may be tempting to ‘do-it-yourself,’ it is easy to become a victim of what you don’t know. Involve knowledgeable advisors, such as an attorney, accountant, financial advisor or trust officer, planned giving specialist or charity representative, and other professionals. Investing in good planning now can save your estate and your loved ones considerable legal, financial, and emotional grief in the future.

Explore Options: Don’t assume you only need a will and stop there.

- ▶ Explore the use of **living trusts** to save probate and estate administration costs, which can be expensive in some states. Living trusts keep the details of your estate private and often provide more flexibility, for instance, in selling the family home and other property within an estate.
- ▶ **Charitable trusts** are another option that allow you to meet family or business needs while significantly reducing your tax burden. Charitable trusts can be established now or through an estate plan, enabling you to generate substantial income for yourself, your loved ones, or HSU as you:
 - expand your retirement funds beyond the limits of your 401k or other retirement plans
 - achieve a tax-reduced transfer of a family business
 - sell appreciated securities and real estate while avoiding capital gains taxes
 - provide for a grandchild’s college education
 - grow assets before passing them to family cost-efficiently, and other objectives
 - there are many charitable solutions

(continued on page 6)



- ▶ Assess your **life insurance** needs regularly. Make sure you have the coverage that you need, and if needs change, consider donating a policy to HSU or naming HSU as a beneficiary.
- ▶ Consider **HSU's Charitable Gift Annuity program** to provide a stable, lifetime income for you or another loved one as well as generous tax benefits and a contribution to HSU when the gift annuity ends.
- ▶ Make the tough decisions now. In your planning, don't forget to complete a **'living will'** or **'advanced directives'** document that tells your physician and your family how you want to be cared for medically if you become incapacitated or critically ill. Pre-defined health care directions protect loved ones from having to make decisions for you in difficult and emotionally charged circumstances.

Start a 'Living' Charitable Bequest: Consider starting your charitable bequest during life—'test drive' your charitable plans with HSU. The biggest disadvantage to deferring your giving until the end of your life is that you don't get to enjoy the good feelings that come with helping others. For instance, it is possible to start a scholarship now and enjoy seeing the impact of your giving through the thank-you notes and unfolding life stories of the students you support. You'll also gain the confidence of knowing that HSU can fulfill your charitable intentions with integrity.

Plan with HSU

When Humboldt State students first arrive on campus, they may not know what they plan to do with their lives, but they do know that getting a quality university education can open their minds to the possibilities. *Charitable bequests make a Humboldt State University education a reality for a growing number of students every year. By linking your life planning with theirs, you can touch the future.*

IMAGES LEFT: The HSU Rowing Team practices on Humboldt Bay
MIDDLE: Donor Ann Wood with a recipient of the Frank B. Wood Scholarship
RIGHT: Students work on the *Toyon Literary Magazine*

For more information, and for professional counsel, without cost, in exploring the range of charitable planning options available, contact:

Office of Philanthropy
Humboldt State University
1 Harpst Street, Arcata, CA 95521
Phone: (707) 826-5200
Email: giving@humboldt.edu

6 Charitable Bequest

visit us online:
humboldt.edu/giftplanning

Tax-wise planning to meet your financial, estate and charitable goals.

HUMBOLDT STATE UNIVERSITY