

## Legacy Giving

Support a rich and creative future for Midwestern communities by making a planned gift to Arts Midwest.

### What is legacy giving?

Legacy giving, or planned giving, refers to the practice of making a long-term, strategic investment in a nonprofit organization whose mission you support. Legacy giving allows you to help secure the nonprofit's future while also supporting your own financial goals. For example, when you make a planned gift to Arts Midwest, you may experience savings on income, estate, and capital gains taxes.<sup>1</sup> Planned gifts may also benefit your children or grandchildren. This type of giving is also flexible. Planned gifts may take the form of gifts of cash, stocks, bonds, mutual funds, IRAs, real estate, or even royalties.

Arts Midwest is not able to provide legal advice or technical assistance as you prepare your estate plan, but we can provide basic information on how you can include our organization in your plans. You do not need great wealth in order to make a planned gift to Arts Midwest. Designating Arts Midwest to be a beneficiary of your estate can allow you to advance Midwest creativity in the future.

### Types of legacy gifts

There are many different ways you can make a legacy or planned gift to Arts Midwest. We encourage you to review your estate plan with your attorney and/or financial planner to select the option that is best for you.

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<sup>1</sup> Information in this document is not intended as tax or legal advice. Please speak with your attorney, financial advisor, and/or tax preparer to determine the appropriate next steps with your plans.

## **Bequest**

A bequest is the simplest way to make a planned gift. You can include a provision in your will or living trust that designates a specific sum, asset, or percentage of your estate as a gift to Arts Midwest. Legacy giving specialists often suggest that if you are making a direct gift to a charity organization, it is better to specify a percentage of your estate that will go to the organization rather than a specific sum. This approach allows your charitable giving to adjust as your life circumstances change.

The following sample bequest language illustrates some of the options available for you. Please consult with your attorney and/or financial planner to determine the bequest option that best addresses your interests.

1. A specific amount: “I give to Arts Midwest, located in Minneapolis, Minnesota, the sum of \$[total dollar amount] to be used by Arts Midwest wherever the need is greatest.”
2. Specific property: “I give to Arts Midwest, located in Minneapolis, Minnesota, all of my rights, title, and interest in the following described real estate [insert legal description of land] to be used by Arts Midwest wherever the need is greatest.”
3. Portion of estate: “I give to Arts Midwest located in Minneapolis, Minnesota, [percentage amount]% of my [net or gross] estate to be used by Arts Midwest wherever the need is greatest.”
4. Residual estate (after other bequests are named): “I give to Arts Midwest, located in Minneapolis, Minnesota, the rest and residue of my estate to be used by Arts Midwest wherever the need is great.”

## **Life Insurance**

You can name Arts Midwest as the beneficiary of a new or existing life insurance policy. This can be an attractive option with a policy you do not need. For example, you may have accumulated several policies over time. Rather than discontinue one, you can opt to continue payments with Arts Midwest as the beneficiary. When you name Arts Midwest as the beneficiary of your life insurance policy, the proceeds are not subject to estate tax.

## **IRA or Qualified Pension Plan**

You may name Arts Midwest as the beneficiary of your IRA or qualified retirement plan. IRAs left to family members can be subject to both estate and income tax, while IRAs left to nonprofit organizations, like Arts Midwest, are not subject to either tax.

## Appreciated Securities

Capital gains tax liabilities may be avoided or deferred depending on the structure of your gift of appreciated security. We encourage you to consult with your attorney and/or financial planner to determine a structure that best meets your needs.

## Gifts of Residence with Retained Life Estate

You may make a gift of your personal residence or other real estate to Arts Midwest to take effect at your death. You'll be entitled to a charitable deduction on your taxes in the year the property is deeded to Arts Midwest. In addition, the property will be removed from your estate for estate tax purposes.

During your lifetime, you may continue to use the property even after it has been deeded to Arts Midwest. Upon your death, ownership of the property passes to Arts Midwest. Please note that Arts Midwest's ability to accept real estate gifts depends on a number of factors, including current market conditions. We encourage you to discuss real estate gifts with a qualified financial professional to determine if this is the right option for you.



## Next Steps

It is important to consult with your attorney and/or financial planner to determine the type of gift that is best for your personal situation. Arts Midwest can provide you a statement of intent, which lets us know that you intend to include Arts Midwest in your estate plans. You may remain anonymous, or you may authorize Arts Midwest to include your name in our publications and acknowledgements. By allowing us to use your name, you will serve as a model and inspiration to others who may be considering including Arts Midwest in their estate plan.

If you have questions, please contact Emma Bohmann, development officer, at [emma.bohmann@artsmidwest.org](mailto:emma.bohmann@artsmidwest.org) or 612-238-8050.

Thank you for supporting Midwestern creativity, now and in the future!