Planned Giving

and the

Sultana Legacy Circle
Sultana Legacy Circle

The following have made a Planned Gift of $5,000 or more to the Sultana Education Foundation.

Updated - Spring 2018

Anonymous (2)
J. Taylor Buckley, Jr.
William & Virginia Catherwood
John & Peggy Christie
Wendy & Larry Culp
Virginia G. Decker
Mickey & Margie Elsberg
Dorothy & Lyle Feisel*
Terence T. Finn & Joyce M. Purcell
Marnie Flook
Susan M. Gilmer & Matthew F. Grinnell
Christian Havemeyer
Rosalind Havemeyer
Patti & David Hegland*
Donald & Darby Hewes

Robert & Janet Hewes*
Allan & Darlene Housley
Joyce Huber*
Indian Point Foundation
Michael Lawrence*
William & Amanda Madar
Drew McMullen & Claire Gervais
John Ben Snow Memorial Trust / Allen Malcolm
Andrew & Leslie Price
Joseph B. Stevens, Jr.
William Susen*
Bradford K. Talley Memorial
Joanne & Matthew Tobriner*
Van Dyke Family Foundation
Philip & Irmy Webster*

Unlike your annual contribution to the Sultana Education Foundation (SEF), a Planned Gift is a gift that can continue to support SEF forever. Prudently invested in one of SEF’s three endowment funds (see page 12), Planned Gifts spin off approximately 5% of their principal each year, helping Sultana meet its annual operating expenses for programs, staff, and facilities.

SEF’s endowments exist to assure the Foundation’s permanence, long after you are gone. By making a Planned Gift you can create a living testament to your concern for our children’s education and their future stewardship of the Chesapeake Bay.

While Planned Giving benefits SEF in the long run, it can benefit you today. A bequest in your will, or gifts of cash, stock, life insurance or real property can provide you and your family with important tax benefits and even annuity income for life.

A Planned Gift can be large or small, and take many forms, but they all enable you to support SEF for as long as the Foundation exists. More simply, a Planned Gift is the gift that keeps on giving - forever!

Sincerely,

Christian Havemeyer
Board Chair

* Indicates a future posthumous Planned Gift through a will, Charitable Gift Annuity, or other Planned Giving instrument.
Bequests are the simplest, and often most powerful, way to make a gift.

Advantages:
- You may change your bequest or designation at any time
- You control the funding asset during your lifetime
- Your bequest will not be subject to federal estate tax

The easiest and most common way of making a Planned Gift is through your will. Yet over 50% of Americans do not have one. If you die without a will, the state will divide your assets among your spouse and children (regardless of age); appoint an administrator that may cost your estate large fees; and appoint guardians for your minor dependents. The federal and state governments make no charitable contributions; they keep as much of your estate as they legally can, and ensure that your estate pays them as much estate tax as possible.

By making a will, you appoint your own administrator; you name the guardian of your minor dependents; you control applicable taxes; and you can share your resources with your family, the Sultana Education Foundation and/or other institutions as you choose. A bequest in a will can take the form of a set amount of money, a percentage of an estate, a specific asset such as your home, a trust or the naming of Sultana Education Foundation as a contingent beneficiary.

SAMPLE WILL DECLARATION

“I give, devise and bequeath [state amount, asset, or percentage of the estate] to the Sultana Education Foundation to be placed in the Foundation’s endowment*.”

*If you wish to be specific, you may direct your bequest to either SEF’s Permanent Endowment or Board Designated Endowment (see page 12). Undesignated or unrestricted gifts will be placed in SEF’s Board Designated Endowment. Please see page 12 for information about making a bequest to the Sultana Education Foundation’s Endowment at the Mid-Shore Community Foundation.

“SEF has been a significant part of our lives and it gives us great satisfaction to know that we will be helping Sultana long after we are gone.”

Case Study
Lyle & Dorothy Feisel
Providing For Sultana in Your Will

Heron Point residents Dorothy and Lyle Feisel are among the growing list of SEF supporters that have included a gift to the Sultana Education Foundation in their will. The funds they bequest will ultimately become part of SEF’s endowment, providing stability and flexibility for the organization in the long run.
Life Income Gifts

Life income gifts provide reliable income in exchange for your gift.

Advantages:
- Can provide secure, robust current income stream
- Potential major tax benefits

Life income gifts provide you or your designated beneficiary income for life in exchange for a gift. The three most common types of life income gifts include:

Charitable Gift Annuity

With a Charitable Gift Annuity, gifts from multiple donors are pooled in a professionally managed portfolio by the Mid-Shore Community Foundation on behalf of Sultana Education Foundation (SEF). The minimum gift is $5,000. The annuity guarantees a fixed amount of income for life for you and, if you wish, a secondary beneficiary. A portion of the original gift is tax-deductible, as is a portion of the regular income. Upon the beneficiaries death(s), the remaining principal is transferred to the SEF’s Permanent Endowment at the Mid-Shore Community Foundation.

Charitable Remainder Trust

A Charitable Remainder Trust is available to donors using assets of $100,000 or more, and can be funded with various types of assets, including real estate. It provides income for life, an income tax deduction, potential relief from capital gains taxes, and a possible reduction in estate taxes.

Charitable Lead Trust

The Charitable Lead Trust enables you to transfer assets to a trust that pays its income to Sultana Education Foundation for a set period of time. At the end of that term (usually 10 to 20 years), the remainder of the Trust reverts to the donor or, in most cases, the heirs. As the donor, you receive favorable tax treatment and may pass the trust assets to heirs at significantly reduced federal estate or gift tax.

Case Study

Phil & Irmy Webster

The benefits of Charitable Gift Annuities

“In this has been a true win-win for us. Our annuity has already paid out income almost equal to our original gift and it gives us incredible satisfaction to know that the principal will ultimately go to Sultana.”

In 2002 Phil and Irmy Webster established a Charitable Gift Annuity for the Sultana Education Foundation through the Mid-Shore Community Foundation. Ultimately these funds will become part of Sultana’s operating endowment, but in the meantime the Websters are earning a competitive rate of return on these assets.
Imagine a 50% Tax Credit/Deduction on an Endowment Gift!

Through Maryland’s EndowMD Program a donor can give to an established endowment at a registered Community Foundation and receive a 25% tax credit. Combining this tax credit with a federal income tax deduction, a donor can make a $10,000 contribution for an effective cost of as low as $5,000. The Sultana Education Foundation has an existing endowment fund at the Mid-Shore Community Foundation, contributions to which can qualify for this credit.

EndowMD - How It Can Work

$1,000 Gift to Sultana
You donate $1,000 to the Sultana Endowment Fund at the Mid-Shore Community Foundation.

$250 25% Maryland Tax Credit
Your state taxes are reduced by a $250 tax credit.

$250 Federal Deduction
Your federal taxes are reduced by a $250 deduction (based on 25% personal tax rate)

$500 Net Cost to You!
After tax saving your $1,000 gift can have a net cost of as little as $500.

Case Study
Bill & Amanda Madar
Tax Advantaged Giving with EndowMD

“The EndowMD Program helped us make an endowment gift to Sultana at a net cost of only half the gift’s face value. The Mid-Shore Community Foundation was great to work with and the tax credit paperwork was simple.”

Additional Considerations
- Maximum annual Maryland tax credit for this program is $12,500.
- There are a limited amount of tax credits available each year.
Gifts of Property

Property gifts can allow you to retain lifetime rights and/or reap tax benefits.

Common Property Gifts:
- Real estate, vacation homes, farms, condos
- Appreciated Securities
- Personal property, cars, jewelry, art, etc.

Real estate, tangible personal property, or securities can be the source of your gift to Sultana Education Foundation. Using a Charitable Life Estate Contract, you can deed your home, vacation home, farm or condominium to the Foundation, and retain the right to live on the property and/or receive income from the property for as long as you live. You receive an income tax deduction when the property is deeded to the Foundation and often for several years in the future, and normally avoid any capital gains tax when making the transfer. Your inheritance and death taxes may be reduced at the time of your death.

Gifts of appreciated real estate and securities allow you to avoid capital gains taxes. It is important to transfer the stock or real estate to the Foundation prior to selling it. However, if the securities or real estate have declined in value from their purchase basis, you should sell the asset before making the gift, thus establishing a capital loss and a potential tax deduction.

Gifts of tangible personal property, such as jewelry, coins, art, boats and automobiles, may also be given to the Foundation. You are responsible for setting an appraised value on the gift, and any gift over $5,000 must be individually appraised.

Other Planned Gifts

The universe of Planned Giving vehicles is too extensive to be covered in a single brochure, but below are several more ways you can make a Planned Gift to the Sultana Education Foundation.

Life Insurance Gifts

A gift of life insurance is easy and a popular way to conveniently make a Planned Gift to the Sultana Education Foundation. You can make Sultana the owner of any paid up whole life policy no longer needed, and the Foundation will add its cash surrender value to its endowment. You can also buy a new insurance policy, or take an existing policy, and make Sultana Education Foundation the beneficiary and owner. The current value of the policy is tax deductible, as are future premium payments. Finally, you can make the Foundation a contingent beneficiary of an existing policy, or name the Foundation to receive the proceeds of the policy if the designated beneficiaries predecease the insured.

Designate Sultana a Retirement Plan Beneficiary

Name SEF as the beneficiary of a retirement account such as a 401k or IRA. All, or a portion, of your retirement assets can pass to SEF upon your death with no federal income or estate tax.

Make an IRA Rollover Gift

If you are 70½ or older consider instructing your IRA plan administrator to make a direct transfer to SEF. Your gift of up to $100,000 can count against your minimum distribution requirement, but will not be included in your gross income.

Terminate an Existing Charitable Remainder Trust

If you have an existing Charitable Remainder Trust (CRT) there may be a variety of benefits for early termination of the Trust. These can include tax benefits and/or the advance funding of a specific charitable activity. Check with your financial advisor(s) to see if this strategy may be appropriate for your situation.
At the discretion of the donor, Planned Gifts for the benefit of the Sultana Education Foundation (SEF) may be directed to one of three distinct endowment funds:

**Sultana Permanent Endowment**

A formal endowment fund owned and managed by SEF, the principal of which may not be invaded, and from which a percentage is withdrawn annually (currently 5%) to support SEF's ongoing operations.

*Suggested Bequest Language:* “I give, devise and bequeath [state amount, asset, or percentage of the estate] to the Sultana Education Foundation to be placed in the Foundation’s Permanent Endowment.”

**Sultana Board Designated Endowment**

Owned and managed by the Sultana Education Foundation, this is an unrestricted fund that acts as a traditional endowment (drawing 5% per year). The principal of SEF’s Board Designated Endowment may be used at the discretion of SEF’s board to further the mission of the organization, including capital investments, program development, special projects, etc.

*Suggested Bequest Language:* “I give, devise and bequeath [state amount, asset, or percentage of the estate] to the Sultana Education Foundation to be placed in the Foundation’s Board Designated Endowment.”

**Sultana Mid-Shore Community Foundation Endowment**

A formal endowment established at and managed by the Mid-Shore Community Foundation, the principal of which may not be invaded, and from which a percentage is withdrawn annually to support SEF’s ongoing operations. The principal of any Charitable Gift Annuities established for SEF will ultimately be placed in this endowment, and only gifts to this endowment are eligible for Maryland State Tax Credits through the EndowMD program.

*Suggested Bequest Language:* “I give, devise and bequeath [state amount, asset, or percentage of the estate] to the Sultana Education Foundation Endowment at the Mid-Shore Community Foundation.”

The two endowment funds owned by the Sultana Education Foundation (see opposite page) are managed by an Endowment Committee established by the Foundation’s Board. This Endowment Committee works in accordance with a formal Endowment Policy adopted by the Board that mirrors those of major colleges and universities. Key elements of SEF’s endowment management philosophy include:

**Experienced Management:** SEF’s Board appoints experienced investment management professionals to its Endowment Committee. Many committee members have held leadership positions at some of the world’s preeminent financial institutions.

**Diversification:** SEF invests according to a diversified model portfolio featuring a broad mix of equity and fixed income assets. This portfolio is reviewed and rebalanced regularly.

**Prudent Investing:** SEF invests its endowment funds in prudent instruments, avoiding risky or speculative investments. While SEF is committed to avoiding unnecessary risk, it recognizes that excessive risk aversion can limit long-term asset appreciation, and thus generally favors equity over fixed income instruments.

**Low Cost Investing:** In an effort to minimize expenses, SEF invests endowment funds using low-cost mutual funds, and particularly indexed mutual funds.

**Oversight & Accountability:** In accordance with federal law, SEF’s finances, including its endowment investments, are audited annually by an independent accounting firm. The Foundation’s independent auditor ensures proper accounting for permanently restricted and board designated funds, and documents that endowment funds are distributed according to the Foundation’s Endowment Policy.
For the past fifteen years Sultana has been proud to partner with the Mid-Shore Community Foundation (MSCF) to provide our supporters with the following Planned Giving services:

**Sultana Endowment at Mid-Shore:** A permanent endowment operated by Mid-Shore for the benefit of the Sultana Education Foundation.

**Charitable Gift Annuities:** Lifetime, tax-advantaged annuities the principal of which will ultimately be added to the Sultana Endowment at Mid-Shore.

**EndowMD Program:** Maryland State Tax Credits available for donors to the Sultana Endowment at Mid-Shore.

Founded in 1992, MSCF had over $70 million in endowment under management. The Foundation prides itself on connecting private resources with public needs to enhance the quality of life throughout the Region. For additional information about SEF Planned Giving services offered in partnership with Mid-Shore please contact Sultana’s Development Staff or the Mid-Shore Community Foundation.

Here are a few things to keep in mind if you are considering a Planned Gift to the Sultana Education Foundation:

- **Planned Gifts of any size are welcome and important!**
- **Think of SEF when you update your estate plan or talk to your legal counsel / financial advisor.**
- **If appropriate, please let SEF know you are making a planned gift. A simple Declaration Form is available on our website.**
- **Contact SEF or the Mid-Shore Community Foundation if you have questions, especially about Charitable Gift Annuities or the EndowMD program.**
Our Vision

The Sultana Education Foundation connects people to the Chesapeake Bay’s history, ecology, and culture, inspiring them to join us in preserving and restoring America’s largest estuary.

Our Mission

The Sultana Education Foundation realizes its vision by providing both land-based and water-based experiential education to students of all ages emphasizing the Chesapeake Bay’s history, culture, and environment. Our program’s central purpose is to create inspired, knowledgeable stewards of the Chesapeake Bay who will pass on this treasured legacy to future generations.

Who We Serve

The Sultana Education Foundation provides programs for 12,000+ students and teachers each year, as well as programs for the general public. Of our school participants, 90% attend Maryland public schools, with 50% of these coming from Title I schools with high concentrations of low-income students.