



CATALYST CIRCLE

PLANNED GIVING GUIDE

Thank you for sharing your love and gratitude for our Whatcom conservation lands through gifts to Whatcom Land Trust. Together you make up an exceptional community of people who are protecting and caring for Whatcom's special places.

You can augment your support of what you value by planning for a future gift.

Legacy gifts are not just for the wealthy. Anyone can make a gift and no amount is too small to have a lasting impact.

Including Whatcom Land Trust in your will is a simple, yet powerful way to ensure that future generations will enjoy the precious lands, waters and species that you cherish today. Plus, it's a powerful way to ensure local management and control of local land and nature resources.

We encourage you to consult with your financial or tax professional to discuss future gift options that maximize your philanthropy and minimize your tax bill.



How Your Donation Supports Whatcom Land Trust

We know that gifts are personal and that each gift is given thoughtfully and with intention, so [how are your gifts put to work](#) protecting the lands you love?

Undesignated, Unrestricted Gifts

- At Whatcom Land Trust, undesignated charitable gifts are used where there is the greatest need at the time.
- Undesignated gifts might be used for purchasing more land for wildlife habitat, securing marine shoreline for a park, protecting a watershed for clean drinking water, or conserving one of the many beloved places in Whatcom County. For example, this year's efforts focus on the Skookum II Campaign, acquisition of an additional 1,000 acres from Weyerhaeuser in the South Fork Nooksack – adding to the initial Skookum I 1,400 acres - for salmon habitat, watershed protection, climate resilience, landscape connectivity and recreation.
- If a gift is significant, it may be divided among programs, used for current initiatives, invested in the Stewardship Reserve Fund, reserved for an upcoming project or acquisition, or some combination of all.

Land Conservation Fund

- This fund is used to buy or otherwise protect land. It may be used if an opportunity arises that we have to move quickly on, or risk losing the property. The fund may also be used to purchase properties or to secure conservation in other ways, like negotiating a conservation easement.

Stewardship Reserve Fund

- Taking care of the lands we protect forever requires ongoing funding and a long-term strategy to grow the fund as new properties are added to our portfolio. The goal of the Stewardship Reserve, comprised of donor-restricted and board- and donor-designated unrestricted funds, is to generate a perpetual and dependable pool of money to support basic, legally-required stewardship costs in perpetuity. These costs include site visits, volunteer and property owner relations and management, property taxes, property insurance, legal defense fund, travel and tools. Donor gifts to the Stewardship Reserve are pooled and invested long-term. Investment earnings are spent to support annual stewardship requirements, but the gift pool remains perpetual and the principal remains intact. We aim to grow this fund, currently at \$2 million, to \$12 million by 2035. Named fund opportunities are available for donors within the aggregate Stewardship Reserve Fund.

Stewardship Restoration & Infrastructure Fund

- In addition to basic stewardship monitoring costs covered by the Stewardship Reserve Fund above, we also engage in restoration projects to improve wildlife habitat, remove invasive species, plant native trees and shrubs, and more. Following project completion, these properties required annual maintenance to ensure the initial investment is protected. Properties best suited for public access require trail maintenance and other infrastructure like signage and interpretive kiosks to keep them safe and enhance the visitor experience while protecting conservation values. We maintain funds for our fee simple and conservation easements properties. Even though most of this work is completed by volunteers supervised by Land Trust staff, new acquisitions will continue to create opportunities to grow this fund.

Unrestricted gifts give the Trust the flexibility to make the most of your gift

- *Unrestricted gifts create more lasting conservation* than restricted gifts, particularly gifts restricted for land purchase only. This year, we calculate that every dollar given for general support creates \$16 in new land protections. Leveraged funds, private and public grants, fee for service, resources donated by partner organizations, program related investments (PRIs) and low-interest loans are examples of ways your mission support stretches our resources further.

- Although we are grateful to consider gifts for other designated purposes, gifts that are too restrictive may not meet your wishes and your gift’s intent. Consider wording your preferences something like this: ["My preference is that my gift to be used for (*name use*). However, in the event it cannot be used for this purpose, the Trust may use my gift for undesignated purposes.”

Ways of Giving

You can choose to support Whatcom Land Trust in many different ways, during your lifetime and beyond. You can give now *and* in the future. Bequests and planned gifts not only benefit our lands, the community and the work of Whatcom Land Trust, but the **method of giving you choose may offer significant financial benefits to you and your family.**

- You can name Whatcom Land Trust as the direct beneficiary of specific assets, a portion or percentage of your estate, or of your residual estate after payment of other specific bequests.
- Bequests to Whatcom Land Trust are exempt from state and federal estate taxes and can therefore offer substantial estate tax savings.
- Working together with Land Trust staff, we can explore the possibilities, including current and future projects in development, and recommend options for you to consider. Then.....
- We strongly recommend that you discuss any planned gift with your financial advisors to maximize your philanthropy and minimize your tax bill.
- In addition, Whatcom Community Foundation may offer additional options for fulfilling your philanthropy throughout the Whatcom community.

Here’s some of the most common options for giving and their advantages:

Cash

- Is the simplest and most common way to support Whatcom Land Trust’s work and our capital needs for land acquisition – today and far into the future.
- We welcome unrestricted (or undesignated) planned gifts, as this provides the Trust with the flexibility to allocate funds to the highest and best use for land conservation.
- For bequest gifts made through your will, you can designate a specific dollar amount, or a percentage of the total. Each choice has its



advantages and disadvantages, so you should consult your financial advisor to find out what's best for you.

- The other advantage for bequest gifts is that you can change it at any time if your circumstances change.

Appreciated Securities

- Donating highly appreciated assets can reduce your overall income tax liability, reduce capital gains tax and enable you to make a larger donation to Whatcom Land Trust.
- Contributing appreciated securities can be a beneficial tax strategy, especially during a strong stock market and a reduced corporate tax rate. Plus, you can minimize capital gains tax that would be due if you sold the securities.
- Donating appreciated securities means you don't have to use your after-tax income for giving. However, keep in mind that laws limiting your charitable deduction of appreciated securities to a percentage of adjusted gross income (AGI) still exist.
- We have accounts with Wells Fargo Advisors and Charles Schwab. Simply call us when you're ready to donate the appreciated shares and we'll connect you to the right people.

Stocks, Bonds, Mutual Funds, and Other Publicly Traded Securities

- These are all easily donated, either through your will, through a beneficiary designation or both.
- Naming Whatcom Land Trust as the primary or contingent beneficiary of proceeds from any mutual fund, stock fund, or bond account is simple: Many accounts allow you to update your beneficiary designations electronically or by mail directly from the website of your account holder.
- Tax laws make gifts of assets that have appreciated in value highly advantageous, giving you and your heirs exceptional tax savings as gifting appreciated securities to Whatcom Land Trust avoids capital gains taxes.

Tangible Gifts

As much as we love art, we are more likely to be thrilled to accept a donation of your truck, tractor, or weed wrench than your comic book collection or Picasso print.

Retirement Assets

- Naming Whatcom Land Trust as beneficiary of your IRA or other retirement plan qualifies as a charitable gift and is deductible for estate tax purposes when they are distributed directly from the IRA custodian to Whatcom Land Trust.
- You may prefer to designate retirement assets to a charitable life income arrangement, such as a charitable remainder trust, which will pay income to your heirs and eventually benefit Whatcom Land Trust.
- Distributions from a Roth IRA are generally not taxed. Both you and nature can benefit from naming Whatcom Land Trust as beneficiary to a Roth IRA.

Retirement Assets – Qualified Charitable Distributions (QCDs) from Required Minimum Distributions (RMDs)

NOTE: The SECURE Act, passed in late 2019, increased the starting age for RMDs from 70½ to 72 as of Jan. 1, 2020. Then, in March of this year, the CARES Act waived RMDs altogether for the 2020 calendar year. This waiver includes any retirement account subject to RMDs, such as IRAs, 401(k)s, Roth 401(k)s and inherited accounts. Despite the 2020 waiver, another provision of the Secure Act made major changes to the RMD rules. If you reached the age of 70½ in 2019 the prior rule applies, and you must take your first RMD by April 1, 2020. If you reach age 70 ½ in 2020 or later you must take your first RMD by April 1 of the year after you reach 72.

- You may be wondering if you can still do a QCD for 2020 even though your RMD is waived. The answer is yes. QCDs can still be made even in years when no RMD is required. QCDs from IRAs are still available in 2020 and still offer tax benefits, even though RMDs are not required.
- Until the SECURE Act change, an IRA or other retirement plan that requires distributions after age 70 ½ can create an unwanted tax burden. Rather than pass these assets to a beneficiary who may be required to pay taxes when the inherited IRA is distributed, you can give them to Whatcom Land Trust by taking a qualified charitable distribution.
- Required minimum distributions (RMDs) can be used instead to fund charitable gifts during your lifetime. More and more Land Trust donors are opting to take advantage of this strategy for annual gifts.
- You can make gifts up to \$100,000 per year, or \$200,000 per year for couples who file jointly.
- Request a distribution form from your plan administrator or IRA custodian and simply request the desired distribution amount. The gift is then sent directly to Whatcom Land Trust.
- For estate gifts, please remember that retirement assets are directed by a separate beneficiary designation form, not by your will.

Land

Unlike other charities which may hesitate to accept donated real property, Whatcom Land Trust invites gifts of land - with or without structures - because real estate and land management are what we do.

Whether your gift is land that we hold as one of our conservation areas, or developed or undeveloped property that we can sell and use the proceeds for more land protection, every gift of real property helps save land for tomorrow.

Gifts of land to the Trust are tax deductible. If made through your will, the value of your land is removed from your taxable estate. If donated while you are living, the land is a charitable gift, deductible for income tax purposes.

Here are the most common ways to make a gift of real estate

- You can give any property or residence to Whatcom Land Trust through a bequest in your will, which will qualify for an estate tax charitable deduction.

- For conservation land willed to us, the Trust may hold the land and manage it as a conservation area – sometimes with local partners like parks districts - or place a conservation easement on the land to protect its conservation value forever.



- Conservation easements can be made through specific bequests to take place consistent with your wishes. However, it is important that a donor consult with Whatcom Land Trust prior to signing the will to ensure that the donor's

conservation goals can be met by the Trust. Conservation easements require perpetual management and enforcement, which ideally would be funded by earnings from the Stewardship Reserve Fund (see page 2). We recommend that gifts of conservation land also include a gift to the Stewardship Reserve Fund. The recommended one-time sum would generate enough income to cover estimated annual stewardship requirements and be determined before property transfer.

- Lifetime gifts can be made of a partial or full interest in a real estate, by a deed which reflects Whatcom Land Trust as an owner, whether of all or of a portion of the real estate.
- You may be able to donate your land and still continue to live on it or use it during your lifetime, including cases where heirs can have the use of the land. This is known as a gift of land with a Retained Life Estate which creates a gift of the remainder interest to the Trust.

Definitions:

- A **Specific Gift** in your will gives Whatcom Land Trust title of your property or another specific asset after your death.
- A **Residuary Gift** occurs when you leave what remains of your estate to the Land Trust after specific gifts to others have been made and your estate has been administered.
- A **Contingent Gift** takes effect only in the event that some other bequest fails for some reason. For example, you leave your estate to Whatcom Land Trust in the event your spouse fails to survive you.

Please see our information on Suggested Legal Text for gifts of land.

Life Income Gifts

With a life income gift, the donor gives up ownership today but, in most cases, no money becomes available to the Trust until after the donor's death. (The charitable lead trust is an exception). Regarding complex gifts like these, we advise that you to work with your financial and legal advisors to determine the best way for your gift to benefit both the Trust and your financial goals. Following consultation, please contact Whatcom Land Trust with your proposal.

Suggested Legal Language

If you wish to name Whatcom Land Trust in your will or estate plan, we should be named as:

Whatcom Land Trust, a Washington nonprofit corporation, with offices in Bellingham, Washington, 98225.

Our tax identification number is 91-1246994.

Our mailing address is PO Box 6131, Bellingham, Washington 98227-6131

Our physical address is 412 North Commercial Street, Bellingham, Washington 98227



Whatcom Land Trust is a nationally accredited land trust in good standing and tax exempt under section 501(c) (3) of the Internal Revenue Code.



Donating Gifts of Cash through your Will or Trust

Cash is the simplest and most common way to support Whatcom Land Trust's work and our capital needs for land acquisition – today and far into the future. We welcome unrestricted (or undesignated) planned gifts, as this provides the Trust with the flexibility to allocate funds to the highest and best use for land conservation. For bequest gifts made through your will, you can designate a specific dollar amount, or a percentage of the total. Each choice has its advantages and disadvantages, so you should consult your financial advisor to find out what's best for you. The other advantage for bequest gifts is that you can change it at any time if your circumstances change. The following language, which you should share with your financial advisor, can be used:

I give and bequeath to the Whatcom Land Trust, a Washington nonprofit corporation, with offices in Bellingham, Washington, 98225, the sum of [_____], and no/100 dollars, \$[_____.00] (or a percentage of the estate, or the 'residual' or remaining assets after all other bequests are filled).

Gifts of Real Estate

Making a bequest of land will have a lasting impact on the special places of Whatcom County, protecting natural lands, farms, forests, open spaces, watersheds and wildlife habitat. Unlike other charities which may hesitate to accept donated real property, Whatcom Land Trust invites gifts of land - with or without structures - because real estate and land management are what we do. Whether your gifted land is held and managed as one of our conservation areas, or is better suited as land that we sell after placing a conservation easement on it, or is non-conservation land whose proceeds once sold can be used for more land protection - it all helps save land for tomorrow.

Donating Real Estate through your Will or Trust

If you own property, a home, or business property that you would like to donate to Whatcom Land Trust through your will or trust, the following language, which you should share with your financial advisor, can be used:

I hereby give, devise, and bequeath to Whatcom Land Trust, a Washington nonprofit corporation, with offices in Bellingham, Washington 98225, all of my interest in that certain real property owned by me, located at *(address)* in Whatcom County, Washington, and more particularly described as follows: *[full legal description of property]*

If the above-described real property does not qualify for protection under Whatcom Land Trust's conservation program, then Whatcom Land Trust shall have authority, in its sole discretion, to sell the property and use the proceeds in such manner as its Board of Directors deems appropriate *[to further the purposes of land conservation OR specify a specific program, fund or use]*.

Donating Conservation Land through your Will or Trust:

If you wish us to protect your land forever as a conservation area, we encourage you to first consult with us to determine whether or not your land will be suitable. Talking with Land Trust staff first about your potential gift and desires for your land increases the probability that we or a future governing board of the Trust can meet your wishes.

In cases where we determine that we are the most appropriate stewards of the property, Whatcom Land Trust will hold the land and manage it as a conservation area. In other cases, Whatcom Land Trust may place a conservation easement on the land before it is sold to protect its conservation value forever, and then allocate the sale proceeds to benefit other conservation priorities.

In the event that Whatcom Land Trust is likely to hold the land as a conservation area, or you bequeath a conservation easement to us in your will, we recommend that you designate a gift to the Stewardship Reserve Fund to generate income to cover legally-required stewardship costs in perpetuity.

The following language, which you should share with your financial or tax professional, can be used to devise conservation property to Whatcom Land Trust:

I hereby give, devise, and bequeath to Whatcom Land Trust, a Washington nonprofit corporation, with offices in Bellingham, Washington 98225, all of my interest in that certain *[piece, parcel or lot]* of real property owned by me, located at *[address]* in Whatcom County, Washington, and more particularly described as follows: *[full legal description of property]*

It is my wish that Whatcom Land Trust conserve and protect this property in its natural state. I understand that, at the time of my death, Whatcom Land Trust shall inspect the property to determine whether it has natural features or characteristics that should be protected or whether it provides wildlife habitat of significant conservation value. I understand that Whatcom Land Trust will endeavor to provide for appropriate protection of the property or any portions of the property that then contain any such natural characteristics and features or species. This may include selling the property with conservation restrictions.

I further bequeath to Whatcom Land Trust the sum of \$() as a gift to the Stewardship Reserve Fund, for the purpose of generating income to cover legally-required monitoring and enforcing the property's conservation needs.

If at the time of my death, Whatcom Land Trust determines that it cannot protect the property, then Whatcom Land Trust may sell the property with the proceeds being directed to support other conservation priorities *[or describe how you wish the funds to be used]*.

Specific Bequest of a Conservation Easement:

Some landowners have used their wills or trusts to place a conservation easement on land upon their deaths. When considering this, it is important that you consult with us prior to executing the document to ensure that your conservation goals can, in fact, be met. We will also discuss stewardship goals for the ongoing management and enforcement of the easement as well as a gift to fund stewardship requirements in perpetuity.



The suggested wording for conservation restriction bequests, which you should share with your advisor, is:

In the event I do not make a conveyance of [*describe the intended conservation easement here*] during my lifetime, I hereby give, devise, and bequeath to Whatcom Land Trust, a Washington nonprofit corporation, with offices in Bellingham, Washington 98225, the development rights and conservation restrictions in that certain real property owned by me, located at _____ in Whatcom County, Washington, and more particularly described as follows: [*full legal description of property*]

The development rights and conservation restrictions to be conveyed shall be substantially in the form set forth in [*the Grant of Development Rights and Conservation Restrictions should be pre-arranged with Whatcom Land Trust, and a copy attached to the will or trust as an exhibit*]. I further bequeath to Whatcom Land Trust, the sum of \$(_____) to the Stewardship Reserve Fund to generate income for the purpose of perpetual monitoring and enforcing the conservation restrictions on the property conveyed as set forth above.

Gifting Land or a Residence While Continuing to Live On/Use It:

If you are a landowner, you may be able to donate your land or residence and continue to use it, by way of a life estate. To receive immediate tax benefit, you must irrevocably deed your land or residence. However, you can retain the right to use the property for the rest of your life, or over a specific term of years. By doing so, you are able to continue enjoying your property while also obtaining a tax benefit and satisfaction of knowing that your land will pass into the good hands of Whatcom Land Trust in the future.

Whatcom Land Trust's Gift Acceptance Policy is available upon request.

For more information please contact:

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Bellingham, WA 98227-6131
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Jodi.b@whatcomlandtrust.org

Federal Tax ID# 91-1246994

This material contained in this guide is for informational purposes only, and is not intended to be tax or legal advice. Prior to making a gift to Whatcom Land Trust, please consult an attorney, accountant, or qualified financial advisor.

The concepts described herein are effective only when used as part of an overall, carefully considered estate and financial plan. We strongly encourage prospective donors to seek counsel from a qualified legal, accounting, and/or financial advisor prior to applying any of the information and ideas presented within these pages.