Planned Gifts: A Major Impact for Smith and the Campaign
Smith College
November 6, 2015
Planned Gifts in the Campaign

Current campaign totals (as of 10/20/15)

- Campaign Overall: $355 million
- Planned Gifts in Campaign: $148 million
- 41% of campaign total so far
Breaking it down

Major types of planned gifts contributing to campaign:
- Realized bequests
- Annuities
- Pooled Income Fund (1)
- Charitable Remainder Trusts
- Campaign Bequest Intentions
- Charitable Lead Trusts (2)
Planned Gifts in Campaign by Type
$148,196,533 Total

- Realized Bequests, $85,484,825, 58%
- Campaign Bequest Intentions, $25,900,403, 17%
- CLTs, $19,380,554, 13%
- CRTs, $9,799,861, 7%
- PIFs, $427,725, 0%
- Annuities, $7,203,165, 5%
Planned Gifts in Campaign by Year (and type)

- Nucleus Fund
- FY10
- FY11
- FY12
- FY13
- FY14
- FY15
- FY16

Legend:
- Realized Bequests
- Annuities
- PIFs
- CRTs
- Bequest Intentions
- CLTs
Realized Bequests

- “Bread and Butter” of planned gifts
- Hundreds of realized bequests in campaign
- From a few hundred dollars to millions
- Many purposes
  - Unrestricted
  - Scholarships
  - Library
  - Museum
  - Etc.
Bequest Intentions

Under special circumstances, Smith will count a bequest intention from a living donor in the campaign

- Donor must be 75 by end of campaign (12/31/16)
- Bequest must be for $1 million or more
- Donor must make outright gift of $50K
- Donor must document
  - Sign bequest documentation form
  - Provide secondary documentation
Bequest Intention

Anita Wien ‘62
- Named Smith as beneficiary in estate
- Documented bequest for campaign AND reunion credit in 2012
- Bequest will go to scholarships
- In 2014 – documented a second bequest intention
- Purpose of second bequest TBD
Bequest Intention

Nancy Schacht ‘56

- Emerita Trustee
- Long-standing bequest intention for Smith
- When Smith started documenting bequest intentions for campaign, Nancy was among first to document her pre-existing one
  - Bequest is for “over $1 million”
  - Bequest is completely unrestricted
- In recognition of this generous gift, Smith named the new Nancy and Henry Schacht Center for Health and Wellness
Charitable Gift Annuity

- Make gift now
- Receive fixed income for life
- Can start income immediately, or defer (rate increases by deferring)
- Receive immediate tax deduction
- Income is partly tax-free
- Can use securities rather than cash, and save on capital gains taxation
Charitable Gift Annuity

Betsy Hoffman ‘68

- In 2013, pledged to make a series of Deferred Payment Gift Annuities
- Received campaign and 45th reunion credit for all annuities pledged
- In 2014, so pleased with this, she pledged a second series of annuities
- Received campaign and 50th reunion for this second set of annuities
Charitable Remainder Trusts

- Make gift now - $100,000 minimum
- Receive variable income for life, or a term of years
- At termination, remaining trust principal goes to Smith
- Unlike annuity, rate of payment is not based on age. Generally 5-6% of principal, as valued annually.
Charitable Remainder Trusts

Barbara Zitzewitz ‘64

- Majored in Chemistry
- Husband a physicist
- Parents had set up a trust for her father’s school
- Barbara and her husband (since deceased) set up three trusts.
- One will benefit Smith; one will benefit Carleton, her husband’s school; one will benefit U Michigan-Dearborn, where they met
- Trust pays Barbara a lifetime income of 5%
- Income is partly ordinary, partly capital gains
- Smith’s portion will benefit Physics, Chemistry, Mathematics
Charitable Remainder Trusts

Anonymous Donor from Class of ‘68

- Established a Charitable Remainder Trust on her own in 2007
- Informed Smith that it is one of several charitable beneficiaries
- Donor keeps the right to change beneficiaries – so no campaign credit!
- Over the years, Smith visits donor to discuss her willingness to amend the trust so that Smith’s benefit is irrevocable
- In 2014, donor decides she is so pleased with Smith’s direction, she is willing to “put her money where her mouth is”
- Signs legal documenting releasing her right to ever remove Smith
- Now trust can be booked for full campaign & reunion credit
- Proceeds will one day go to Ada Comstock Scholars program
Charitable Remainder Trusts

Tullock Trust

- Trust established in 1950s – before the “charitable remainder trust” was a legal entity
- Trust established by Hubert and Madge Tullock, who had two Smith daughters – Lucy Tullock Sharp ’38, Margaret Tullock ’33
- Trust provided income for life to Lucy and husband Robert Sharp
- Upon death of Lucy & Robert, principal to go to other family
- In 1960s, but none of the “other family” had survived (or been born!)
- Hubert was deceased, and both Lucy and Margaret were deceased
- Madge amended trust so that at termination it goes to several charities
- Smith is among those charities
- Lucy’s widower is still alive and well at 98-1/2 years old!
- Having just learned of this trust this year, and that it is irrevocable, Smith had sufficient documentation to book it as if it were a new CRT
- Gift to Smith: $1.7 million, unrestricted
Charitable Remainder Trusts

Change is afoot

- Currently all Smith trusts are trusteeed by BNY Mellon
- We are in the final stages of receiving a Private Letter Ruling from IRS
- The ruling would allow Smith to self-trustee, and to commingle charitable remainder trusts with the Smith College endowment
- Potential for more robust growth of principal
- In most cases, endowment trusts are taxed somewhat higher

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<th>Period ending 6/30/2015 (%, Net of Fees)</th>
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<td>1 Year</td>
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<td>Smith Endowment</td>
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<td>BNY Mellon Growth</td>
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Charitable Lead Trust

Gift that combines charitable giving and estate preservation for family
- Donor puts $ into trust
- Trust pays Smith annually for a term of years
- At termination, children receive remainder at steeply reduced - or completely eliminated – estate tax
Charitable lead trust

Sandra Wilson Wilson ‘60
- Set up two charitable lead trusts
- One has a 20-year term, one 15 year
- She and her lawyer set up trusts to “zero out” estate tax
- I.e. – the remainder will go to her four children with zero estate tax
- Fund will give financial aid to students from NYC and Fairfield County, CT
- Single largest dollar gift in the campaign – in fact, in the history of Smith College
Charitable lead trust

Betty Eveillard ’69
- Chair of the Smith Board of Trustees
- Wanted to add to her campaign giving through a planned gift
- Did not need income from a CRT or CGA
- Too young to document a bequest intention for campaign credit
- Has two daughters in their 30s
- Established a Charitable Lead Trust
- Trust will pay to Smith for 20 years
- Establish endowed fund for international student scholarships
- Daughters will receive this portion of their inheritance in 2035, when they are in their 50s
- Gift/Estate tax on distribution to daughters = $0
QUESTIONS?