



The Washington
**ANIMAL
RESCUE
LEAGUE**

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warl.org/PlannedGiving

Gifts of Closely Held Business Interests

Many people who would like to make a meaningful gift to the Washington Animal Rescue League may hesitate to do so out of a concern that a large measure of their net worth is tied up in a private firm of one type or another. If you find yourself in this situation, you will be pleased to learn that with a little planning, a number of options may be available to you. To a large extent, what is possible will be a function of how a business is organized.

Stock in “C” and “S” Corporations

Even though large, publicly traded companies are structured as C corporations, quite often a family business will be organized in this manner as well. In fact, it is permissible for a C corporation to have only a single shareholder. Of course, the smaller the company, the more likely it is to be an S corporation.

In either case, a donor can contribute some of his or her shares directly to the Washington Animal Rescue League and receive an income tax deduction for the full fair market value of the shares, so long as the donor has owned the shares more than one year. (In most instances, the fair market value is established through a formal appraisal and independent valuation, arranged and paid for by the donor.)

The Washington Animal Rescue League reserves the right to review the transaction to determine whether the assets can be easily sold or whether other issues prohibiting a fast sale will pose concerns for our organization.

Typically, the Washington Animal Rescue League will seek to liquidate the shares it receives as soon as possible, although if the stock pays a good dividend or if there is growth potential, the League may elect to retain the stock for a period of time.

When selling its shares, the Washington Animal Rescue League would consider the feasibility of a purchase by another current shareholder or perhaps by the company itself. An alternative may be to sell the shares to a third party who wants to acquire some or all of the company. Regardless of the identity of the purchaser, a sale of C corporation stock is more advantageous for the League because it will pay no tax on the gain. By contrast, gain in S corporation stock will be taxable to the Washington Animal Rescue League, yet this may well be an acceptable consequence. Likewise, the League will be taxed on its share of income earned by an S corporation, but this, too, may turn out to be a satisfactory result.

Partnerships, Limited Liability Companies, and Similar Entities

Just as with stock in a corporation, a donor can choose to contribute to the Washington Animal Rescue League a portion of his or her interest in some other form of business, so long as the constituting documentation for the business permits additional owners. The tax implications for the donor will generally be along the lines of those associated with a transfer of stock. Naturally, the Washington Animal Rescue League will also need to assess how it would be affected by retaining or selling what the donor contributes.

Gifts of Assets Made by a Business Itself

It may be that the best way for an owner of a business to benefit the Washington Animal Rescue League is to have the business itself donate real estate or some other type of property. Frequently, the tax benefits will “flow through” to each owner in proportion to his or her stake in the firm. For its part, the Washington Animal Rescue League will usually sell what it receives and use the proceeds in fulfillment of its mission.

Join Our Legacy Society with Your Planned Gift

If you plan a bequest of stock, partnership units, etc., to Washington Animal Rescue League through your will or other element of your estate plan, you become a member of our legacy group: the 1914 Society. The League was founded in 1914—imagine that, almost a century of caring for animals in need! Our hope is that you will let us know about your planned gift so we can thank and recognize you.

You will receive these privileges of membership in the 1914 Society:

- Washington Animal Rescue League’s annual report,
- Updates on League news through our *Animal Report* newsletter,
- Invitations to special events, including our annual 1914 Society reception, and
- Recognition of your planned gift in the League’s publications (unless you prefer to remain anonymous).

Special Considerations

Please contact us about restricting your gift to the specific League program(s) of your choice.

Unrestricted contributions are preferred; however, we also welcome a conversation if funding a specific program is critical to you. We have many projects – both short-term and ongoing – at the Washington Animal Rescue League for which we seek support. We can tell you about all the available options today – and tomorrow, when a new generation of animals in need will look to us for aid.

Gifts to the League may be made in memory of any deceased person(s) or pet(s) or in honor of any living person(s) or pet(s).

Other Types of Planned Gifts that May Interest and Benefit You

If you are considering an outright gift of business interests or assets, be aware that other gift types—such as a charitable remainder trust, a charitable gift annuity, or a life estate arrangement involving a personal residence—may be suitable or preferable, taking into account your goals and needs.

Of course, arranging a gift for the Washington Animal Rescue League through a will or through some other element of an estate plan – e.g., including our organization as a beneficiary of a financial, retirement, or insurance account – is also an act of considerable generosity that many people can afford even if a large lifetime gift is not realistic.

Our development staff can help you plan the right gift in light of your assets, income, and family and other estate or financial obligations. You may be able to be a greater philanthropist than you realize. Would you consider making the gift of a lifetime to the Washington Animal Rescue League if we can show you how?

We Invite You to Contact Us

The Washington Animal Rescue League neither requests nor accepts government funding. We are a 501(c)(3) charity and our programs and endowment depend on your support. Our tax identification number is 53-0162440.

Direct your confidential inquiries and notifications about legacy gifts for the benefit of the Washington Animal Rescue League to:

Robert Blizard, Chief Development Officer
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Washington, DC 20011

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Information also available at warl.org/plannedgiving.

**This information provided by the Washington Animal Rescue League is not financial, tax or legal advice.
You should consult your advisors before making your charitable giving decisions.**