

The Cathay Williams Legacy Society

Planned Giving Program

Bequests

Bequests (specific, residuary, and contingent gifts made by will) are the most popular type of planned gift and have been crucial (along with remainders from charitable trusts) to the extraordinary growth and success of The Center for African American Military History (TCAAMH) dba buffalo Soldiers National Museum (BSNM) since its founding. Whether you wish to provide general operating income for the Museum to use wherever it is most needed or to support a specific department or program, your bequest expresses your lasting commitment to the Museum. A bequest to the Museum may also help you meet your financial and estate-planning goals since an estate-tax charitable deduction for the entire amount of the gift is allowed.

Suggested language

"I give devise and bequeath to TCAAMH, dba BSNM (tax I.D. 76-0658661), located in Houston, Texas, the sum of _____ dollars (\$_____) **OR** _____ percent (_____%) of the rest, residue, and remainder of my estate **OR** the following described property: _____ for the benefit of its general purposes (or specify TCAAMH dba BSNM program you wish to support)."

Charitable Remainder Trusts

Charitable remainder trusts allow you to make a gift to the Museum and at the same time retain a benefit from the assets you give. These separately managed trusts can be tailored to meet your financial goals with respect to the payout rate, type of income stream (variable or fixed), and payment schedule. To establish a remainder trust, you make an irrevocable contribution of cash, securities, or other property, which is placed in trust. The trust pays an income stream to one or more named beneficiaries (which can include you) for life and/or for a set term of years (not to exceed 20), and the Museum receives the right to principal as a remainder interest. The two most common types of charitable remainder trust are: (1) the annuity trust, which pays a fixed dollar amount each year based on a percentage (at least 5%) of the initial fair market value of the trust assets; and (2) the unitrust, which pays a variable income stream based on a percentage (again, at least 5%) of the fair market value of trust assets as revalued each year. A deferral feature is available for charitable remainder unitrusts. Because charitable remainder trusts (like an IRA or 401(k)) are tax-exempt, this deferral feature can make them a useful retirement planning tool if you are in a position to defer your

receipt of an income stream. Charitable remainder trusts are typically funded with assets worth \$100,000 or more. Establishing such a trust generally entitles you to claim an immediate income-tax charitable deduction.

Charitable Lead Trusts

A charitable lead trust is the reverse of a charitable remainder trust; the gift to the Museum is the income stream from the trust, not the remainder. Charitable lead trusts enable you to provide an income stream to the Museum immediately for a set term of years or for a term measured by one or more lifetimes after which the trust assets pass to you or your estate or to your heirs. Leaving the asset to heirs can significantly reduce the gift or estate tax that would otherwise apply.

Retirement Plan Assets

Assets in qualified (tax-deferred) retirement plans may represent a large portion of your total assets and therefore may be an important factor in planning testamentary charitable gifts. Retirement assets generally considered suitable for charitable gifts include such plans as IRAs, Keoghs, SEPs, 401(k)s, 403(b)s, and ESOPs.

Left to family members or friends, these assets are subject to income tax and may also be subject to estate tax and generation skipping transfer tax. Because of this potential double layer of tax, retirement plan assets may be particularly attractive as an asset to leave to the Museum. In other words, if you designate the Museum as a beneficiary upon your death of all or a specified percentage of a retirement plan, the portion of the plan payable to the Museum will generally escape estate taxes, and the Museum, as a tax-exempt institution, will not be required to pay income tax on the distributions. As a general rule, if you intend to make both noncharitable and charitable gifts at death, it makes sense to consider using your tax-deferred retirement plan assets for charity and other assets for heirs.

Life Insurance Policies

Naming the Museum, the beneficiary of an existing life insurance policy that is no longer needed to provide for dependents offers a simple way to support this institution. Since you are the policy owner, the value of the policy will be included in your estate, but an offsetting estate-tax charitable deduction will generally be allowed. You may also be able to assign an existing whole life policy to the Museum, irrevocably making us the owner and beneficiary, and claim an income-tax charitable deduction for the lesser of either your basis in the policy or its fair market value in that year. If the policy is not paid up and additional premium payments are due, you may donate cash or the equivalent to the Museum to pay the premiums each year and claim a full tax deduction for the gift. Lastly, you may be able to purchase a new policy naming the Museum as owner and beneficiary, pay the annual premiums (through us), and claim the premium amount as a charitable contribution.

Tangible Personal Property

Tangible personal property, such as artwork and books, may be donated to the Museum during your lifetime or by bequest. The Museum must give special consideration to such gifts before it can accept them, and we advise you to contact us if you are contemplating donating tangible personal property to the Museum. (See note on gifts of artwork below.)

A donor of tangible personal property held long term and accepted by the Museum is potentially entitled to claim an immediate income-tax charitable deduction and avoid capital gains taxes. The extent of the allowable income-tax deduction for such a gift, however, would depend on whether the Museum uses the property in a manner related to its tax-exempt mission.

If the use of the contributed property is related to the Museum's exempt purposes (e.g., gifts of modern or contemporary artwork accepted into our collection), the donor is generally entitled to claim an income-tax charitable deduction for the full fair market value of the property (up to 30% of AGI with a five-year carryover). If the use of the contributed property is unrelated to the Museum's exempt purposes, or if the donor held the property for 12 months or less before making the donation, then the donor's income-tax charitable deduction is limited to the cost basis in the property.

Benefits

- Lifetime membership to The Cathay Williams Legacy Society
- Donor Recognition on Planned giving donor list on website
- Unlimited visits to the museum for you and your family (up to 4)
- 5% discount on rental of CAAMH facilities
- 15% discount on museum gift shop apparel
- Recognition in media releases
- Special invitation to private exhibition openings
- Admission for two to the CW Society mixer
- Cathay Williams legacy lapel pin

The Cathay Williams Legacy Society

Donor Development
Center for African American Military History
dba Buffalo Soldiers National Museum
3816 Caroline Street

Houston, Texas 77004

Dear Donor Development Director,

I have included the Center for African American Military History through a bequest in my will or trust or in some other way. Please enroll me into The Cathay Williams Legacy Society. **I DO** want my name published on donor listing.

I have included the Center for African American Military History through a bequest in my will or trust or in some other way. Please enroll me into The Cathay Williams Legacy Society. **I DO NOT** wish to have my name published on donor listing.

Name(s) (please print) _____

Address _____

City _____ State _____ Zip _____

Signature _____ Date _____

The more information we have regarding your gift, the better able we are to make sure wishes are honored. If you are comfortable doing so, please note below the type of gift you have made. If you choose to include more information, please do so below.

Charitable bequest (indicate type of bequest)

Specific amount

Residual

Percentage

Contingent

Charitable lead trust

Charitable remainder trust

Charitable gift annuity

Beneficiary designation gifts

Other _____

Estimated value (optional) _____

Name of person or entity responsible for transfer
