

COWBOY LEGACY

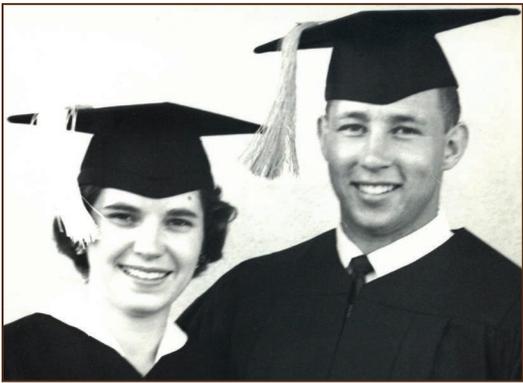


FALL/WINTER 2013

A GIFT THAT GIVES BACK

By Tamara Linse

Lefty and Carla Cole love the University of Wyoming. They both got their degrees here, as did most of their children and grandchildren. Now retired, they attend all the football and men's and women's basketball games, and there have been many UW functions at their Vee Bar Guest Ranch.



Lefty and Carla at their 1960 UW graduation

The Coles worked hard throughout their lives. They are Wyoming natives, but they moved all over the West while Lefty worked for Peter Kiewit Sons' Inc., a national construction firm. When he retired, they bought the Deerwood Ranch in the Centennial valley. To supplement their ranching operation, the Coles ventured into land development and hospitality with the Vee Bar. Other family businesses include Deerwood Log Homes, the Deerwood Ranch Wild Horse EcoSanctuary, and the Country Junction store in Centennial.

If you are interested in learning more about charitable gift annuities, please contact Tracy Richardson, Senior Associate Vice President for Gift Planning, at (307) 766-3934 or trichar6@uwyo.

With much hard work and a little good luck, the Coles have been able to retire comfortably. They've supported the university with a number of gifts over the years—for which the university is very thankful—and they also provided for UW in their estate through a gift annuity. Their gift will provide scholarships through the Cowboy Joe Club, as well as benefitting the Alumni Association.

"We've been real fortunate in our business, and we just love the university," says Lefty. "We wanted to give back as much as we could."

"It's just rewarding that it's going to be used for a good purpose," adds Carla.

Their charitable gift annuity will be of great benefit to UW students, but it also will give the Coles income in their retirement.

For a charitable gift annuity, donors gift cash, securities, real estate, or other property to UW in exchange for fixed annuity payments for the rest of their lives. Payments are based on the age at which the annuity is established, and the donor is entitled to an income tax deduction on a portion of the gift. Typically, only a portion of each annuity payment is taxed, with the balance being tax-free. When the annuity terminates, the residual benefits the UW college, department, or program that the donor designates.

"More people should take advantage of that," says Lefty. "If you're in the ranching business, it's harder than hell to ever come up with any kind of a retirement. Through our land development business, we ended up with pieces of property that didn't get developed, and so we sold one of those properties and that's the money we used. We get a return on it through both of our lifetimes. The interest rate is right in there. It's just logical. And maybe it'll do somebody some good, and at the same time we've got a retirement fund. I don't think you can beat it."



UNIVERSITY OF WYOMING FOUNDATION





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COWBOY LEGACY

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Cowboy Legacy is published twice a year and sent to friends and donors to the University of Wyoming. We encourage you to share with us your questions or comments regarding this newsletter.

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GIFTS OF TANGIBLE PERSONAL PROPERTY

Valuable collections, works of art, jewelry, antiques, and other personal property can be a good source of meaningful gifts to UW. The property itself can be donated now or in the future, or the property can be used to fund a life income gift, such as a charitable remainder trust or a gift annuity. The most common types of tangible personal property contributed to UW include artwork, books, collectibles, motor vehicles, livestock, and equipment.

The Internal Revenue Code and regulations governing charitable contributions do not define *tangible personal property*. Rather, the term is defined in IRC Section 48 or IRS Publication 526 as “any property, other than land or buildings, that can be seen or touched. It includes furniture, books, jewelry, paintings and cars.” In other words, *intangible personal property* such as securities, patents, copyrights, royalties, insurance contracts, and other negotiable instruments do not fall within the definition of tangible personal property. Cash or coins are also excluded unless they are collectible items.

Defining what is classified as tangible personal property is important in a charitable context since gifts of such property are subject to specific rules. It is particularly important to determine if the use of the tangible personal property by the charitable organization is related to the tax-exempt purpose of the charity—this determines whether or not the donor is entitled to a fair market value charitable deduction for the contribution of the property. For example, if a painting contributed to an educational institution is used by that institution for educational purposes by placing it in its library for display and study by art students, this is a related use. However, if the painting is sold and the proceeds are used by the organization for general educational purposes, this is an unrelated use and the donor is only entitled to a deduction equal to his or her basis (investment) in the property.

Tangible personal property determined to be unrelated use property can still be a valuable

source of support for UW, if we are able to accept it. However, for tax purposes, the donor can only claim his or her investment in the property as a charitable contribution deduction rather than the property’s fair market value on the date of the contribution.

Below are some recent examples of gifts of tangible personal property to UW that provide more clarity on the application of this rule and an overview of the types of property that can ultimately benefit the University of Wyoming in a significant manner.

- A retired wildlife field researcher donated a fully equipped camp trailer to the College of Agriculture and Natural Resources to be used for fieldwork. Researchers have used the trailer for weed assessments, monitoring, and research, and the donor was entitled to a charitable deduction for the fair market value of the gift.
- A collection of valuable Western-themed paintings were donated by a family to the University of Wyoming over a number of years. The family also established an endowment to support the long-term preservation of the collection. Because the university will retain the paintings for their educational and aesthetic value, the donors were entitled to claim a charitable deduction for the fair market value of the paintings.

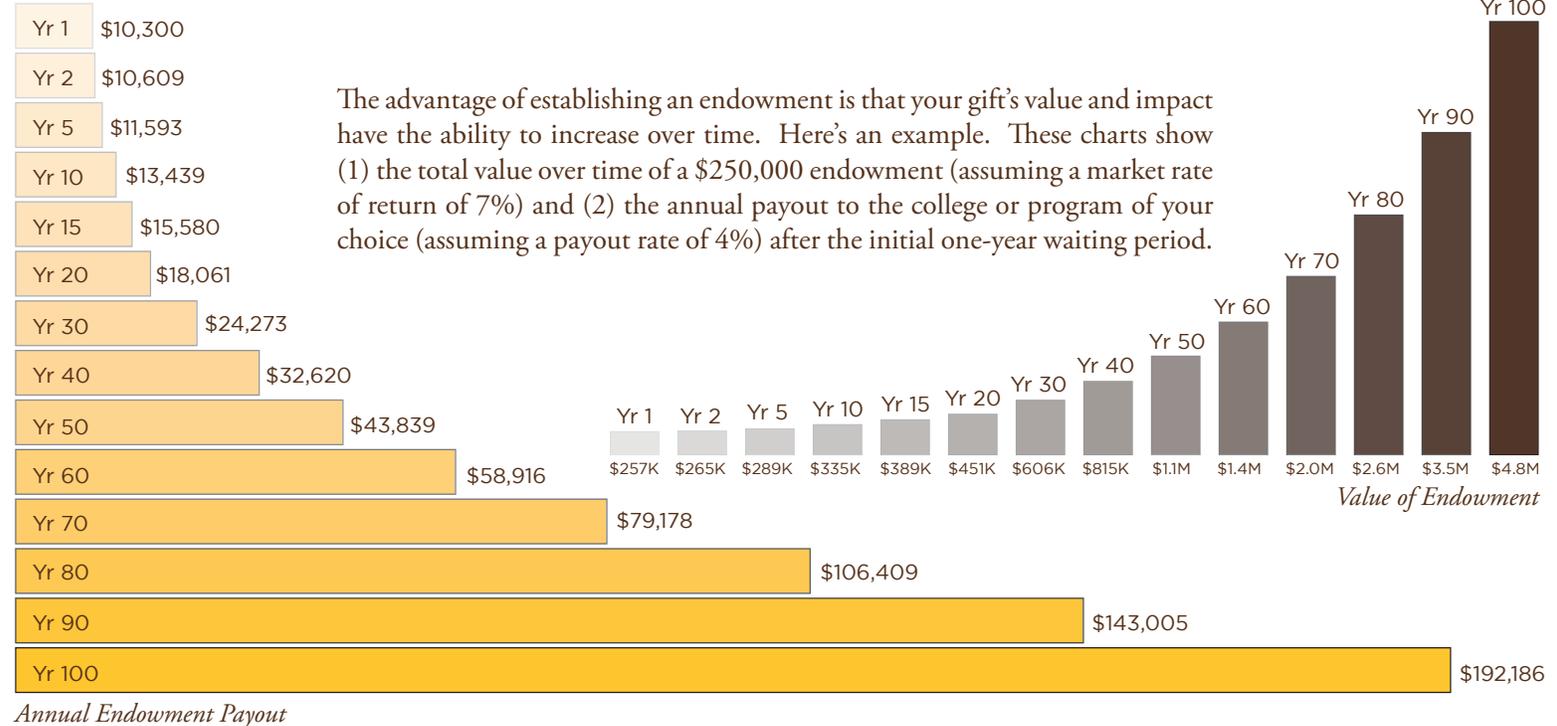
The above information and examples are just a brief overview of the gift options and tax laws related to tangible personal property. There are certainly many more creative ways that your tangible personal property can advance your charitable goals and also the work and the mission of UW. For more information on how a gift of tangible personal property fits into your charitable plans, please contact Tracy Richardson, Senior Associate Vice President for Gift Planning, at (307) 766-3934 or trichar6@uwyo.edu.



UNIVERSITY OF WYOMING FOUNDATION COWBOY LEGACY



THE LIFE OF AN ENDOWMENT



DON'T FORGET! THE IRA CHARITABLE ROLLOVER IS BACK!

Donors age 70½ or older are once again eligible to transfer up to \$100,000 from their IRAs directly to qualified charities without having to pay income taxes on the qualified distribution in 2013.



ASK TRACY...

WHY SHOULD DONORS AND ADVISORS WORK WITH THE UNIVERSITY AND THE UW FOUNDATION WHEN INCORPORATING A GIFT TO UW INTO THEIR LONG-TERM PLANS?

Working with us is very beneficial to the donor and his or her advisor. That is why we encourage donors and their advisors to include us in the planning process—even if the donor would like to remain anonymous. The most well-intentioned donor with a skilled attorney can sometimes try to put a round peg into a square hole as it relates to the university. Let me give you an example. We recently had an estate gift arrive on our doorstep—in other words, we were not involved in the planning process—in the \$200,000 range with the instruction to create a center and to use the \$200,000 endowment to create and support the center. A \$200,000 endowment will produce around \$8,000 a year in income, an amount that falls well short of creating a center as the donor wished. Luckily, the donor's trust document allowed some flexibility, and we were able to modify the gift to support something that was closely related to what the donor was looking to achieve. I am certain that, if we would have been involved in the planning process for this gift, we could have easily directed the gift to an area of impact on campus while fulfilling the donor's charitable goals. Long story short, we highly encourage this sort of teamwork and interaction, as it is in the donor's best interests. I also think that donors and their advisors will find after going through the process that we are very professional, knowledgeable, and easy to work with.



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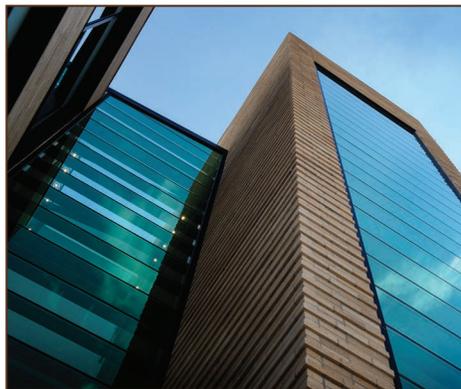
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THE ENERGY INNOVATION CENTER

Energy partnerships at the University of Wyoming have a new home—the \$25.4 million Energy Innovation Center (EIC) opened in January 2013.

As one of the most advanced facilities on campus, the EIC provides students, researchers, faculty, and UW’s energy partners the opportunity to actively engage in, observe, and support advancements in sustainable energy technologies.



Located on the northwest corner of UW’s Laramie campus, this state-of-the-art research and collaboration facility includes 27,300 net square feet of highly technical research space, as well as office, classroom, and meeting space. Approximately 12,500 square feet of the EIC is designated for six rapidly reconfigurable, ultramodern laboratory spaces that will play a key role in advancing SER’s strategic areas of concentration.

The EIC was made possible through private donations and State of Wyoming matching funds. Generous private donations were given by Encana, BP America, Shell, Peabody Energy, Arch Coal, Marathon, Questar, and ConocoPhillips. Significant contributions creating endowments supporting energy programs were given by Anadarko and James Nielson, and gifts purchasing equipment for the building were given by Hess Corporation and WPX Energy.

CONTACT US

To learn more about your options for estate planning, please contact:

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We are here to help you and your estate planning team. If you have made UW part of your estate plan, we encourage you to contact us so that we can properly document your intentions and express our sincerest thanks.

If you would like to receive more information regarding planned giving, please submit the form at wyoalumni.uwyo.edu/planningyourfuture.



The UW Foundation is an independent, nonprofit corporation dedicated to securing, managing, and stewarding private gifts in support of the University of Wyoming’s missions in teaching, research, and public service.