

COWBOY LEGACY

SPRING/SUMMER 2014

KEEPING RODEO RIDING

Dale and Lynn Hiatt are life-long rodeo fans. In college, Lynn was a barrel racer on the University of Wyoming rodeo team. They both used to help time events for rodeos hosted by UW, but now they just attend and enjoy the show. Their passion for rodeo led them to create an excellence fund with their estate to support the team.

“We dearly love rodeo and we just wanted to help the rodeo club of the University of Wyoming,” says Dale.

“By being able to help the club,” adds Lynn, “they might be able to recruit some young people that couldn’t afford to come here.”

Lynn is a native of Laramie, and Dale moved to Wheatland with his family when he was two years old. When they first met, Lynn was raising horses and Dale was a quarter horse inspector. After first getting married, they lived on a ranch in Iron Mountain, then moved to Laramie in 1971, where Dale worked for Lafarge and Lynn taught riding lessons and then worked at WyoTech. Now retired, Dale and Lynn enjoy restoring antique tractors, including the pictured Brown and Gold that they drive in UW’s Homecoming parade.

The Hiatts are huge Cowboy and Cowgirl basketball fans, and they attend every men’s and women’s game they can. When the opportunity arose to give back to the University of Wyoming, Dale and Lynn didn’t hesitate.

Working with their financial advisor and attorney, they finalized giving plans through their estate. They never really thought about contacting the UW Foundation concerning their estate gift until their advisor suggested they do so, and then they sent a short letter to UW. Representatives from the UW Foundation set up a meeting with them to discuss their wishes in detail.

Their initial thought was that their estate gift would fund scholarships for the rodeo team, but after discussing various options with UW representatives, they felt an excellence fund endowment was a better idea. An excellence fund would still allow them to support the rodeo program, but it would give the rodeo coach input on how the funds should be used, and it would have a greater impact on students and the program.

Excellence funds are among the most highly valued and strategically useful private investments at UW. They provide a steady stream of funding that enables a department or particular area on campus to respond quickly to emerging opportunities and to pursue core initiatives. They allow the unit’s

leadership to invest in programs and facilities where the need is greatest and the potential for success is highest.



Lynn and Dale Hiatt

Dale and Lynn enjoyed working with the Foundation to ensure that their estate gift will have maximum impact. Their gift will impact students and the UW rodeo program for years to come and will leave a lasting legacy for two dedicated individuals.

“Both Dale and I agreed about how good we felt about this,” says Lynn. “It’s going to be like we want it. There’s no questions, no gray areas. It’s going to happen.”

“Besides,” adds Dale, “it’s been a fun ride.”

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



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 MINERAL INTERESTS

The extractive mineral industry is a vital component of the Wyoming economy. As such, the mineral industry has made an immeasurable impact through the generosity of the Wyoming legislature and the governor on the students, faculty, and programs at the University of Wyoming. Mineral interests can also directly benefit the University of Wyoming through charitable gifts of such interests by alums, friends, and donors.

“It’s similar to gifts of real estate,” says Tracy Richardson, Senior Associate Vice President for Planned Giving at the UW Foundation. “Mineral interests are a kind of property, they’re just a different flavor, so you go through the same process as when someone gives land to the university. The first step is a valuation and title analysis of the applicable interest.”

Determining the value of mineral interests depends on the type of mineral and the type of interest owned by the donor. Values, of course, vary depending upon whether it is coal, oil, natural gas, or various metal ores, as well as the market conditions at the time the gift is contemplated. Values also vary greatly depending upon what type of interest is being evaluated—such as a nonparticipating royalty interest, an overriding royalty interest, or a working interest. Valuation of the interest must be done by a qualified appraiser.

After the title work and appraisal have been completed, the property is conveyed to the UW Foundation through mineral deed and recorded with the county clerk in the county where the mineral interest is situated. Once the UW Foundation becomes the owner of record, the mineral interest can be sold, leased, or retained (again depending upon the

nature of the interest and whether or not it is producing at the time of the gift). No matter the case, the proceeds from the sale or the income from the royalty interest is allocated to the area on campus that the donor wants to support.

The UW Foundation has received gifts of mineral interests in the past, and many donors use the proceeds to fund scholarships and other endowments. One donor who recently gifted mineral interests to UW allocated the proceeds to endowed scholarships for students in the College of Agriculture and Natural Resources and for international students.

“When people consider charitable giving, they need to take a look at all of the assets they have in their portfolio as options,” explains Richardson.

Benefits of transferring mineral interests to UW include a charitable income tax deduction in the year of the gift, removing income from your portfolio that is not needed or wanted currently or in the future, reducing the taxable portion of your estate, removing smaller interests from the estate that can’t necessarily be easily divided among heirs, and eliminating a potential family burden associated with the management of the mineral interests, all while ensuring that students at the University of Wyoming have a promising future because of your generosity and desire to make an impact.

For more information on how a gift of mineral interests can make an impact at UW, please contact Tracy Richardson, Senior Associate Vice President for Planned Giving at the UW Foundation, at (307) 766-3934 or trichar6@uwyo.edu.





5 THINGS EVERYONE SHOULD KNOW ABOUT PLANNED GIVING

1. Planned gifts provide the opportunity to change the world. Legacy gifts, because of the lifetime accumulation of capital, tend to be much larger than lifetime gifts made out of income. You truly do have the ability to make a demonstrable impact on the world through a legacy gift.

2. Planned gifts can also offer tax benefits. Charitable planning techniques such as bequests, IRA beneficiary designations, charitable gift annuities (CGA), and charitable remainder trusts offer significant tax benefits for donors. For example, a bequest is 100% deductible at the estate level and can reduce potential estate taxes. A CGA offers the donor a current income tax deduction and can provide capital gain deferral and tax-favored income in retirement.

3. Donors designate how planned gifts are utilized. Whether a donor is memorialized by a bequest or remains anonymous is something that you, the donor, can decide. The donor can also specify how he or she wishes the funds to be used—i.e., supporting

a specific program or college, creating a scholarship, or establishing another type of endowment. In addition, most planned giving arrangements allow broad flexibility to the donor to make changes to the gift designation during his or her lifetime.

4. Planned gifts do not impact current financial situation. A high percentage of planned gifts are structured to take effect after the life of the donor and are revocable and amendable during the donor's life. Thus, planned giving offers a unique opportunity to implement your charitable vision at UW today without impacting your current financial situation.

5. Planned gifts are easy to implement. The flexibility and relative simplicity of establishing a planned gift provides an opportunity for all to impact UW. A simple amendment to a will or revocable living trust or a change of beneficiary on an IRA or life insurance policy is all that is necessary to include UW in your long-term plans. Take action today to change UW forever!



ASK TRACY...

WHAT ARE THE BENEFITS OF ESTABLISHING AN ENDOWMENT WITH THE UW FOUNDATION?

When working with our very generous donors, I have noticed two common scenarios when it comes to setting up a fund for the benefit of UW students, programs, or faculty through an estate commitment.

The first and more common scenario is an outright bequest to UW to establish an endowment, which will be managed, invested, and administered by the UW Foundation in perpetuity in accordance with the intent of the donor. In general, potential benefits to structuring a charitable estate gift in this fashion include: (1) access to a sophisticated investment portfolio and a pool of assets in the range of \$400 million—this allows the donor's specific gift to buy into a diversified pool of sophisticated investments that could not otherwise be accessed by the donor in the marketplace; (2) management and spending by individuals astute and equipped to deal with higher education endowments; (3) the opportunity to engage in high-level conversations with appropriate individuals on campus during the gift planning process to ensure that the gift is structured to benefit both the donor and the area on campus the donor wants to support; and (4) the ability to time the payout and the amount available from the endowment to the needs of the applicable area on campus—this also aids the area on campus in the annual budgeting process because they can more accurately project the annual distributions from the endowment.

The second scenario that arises from time to time is when a donor funds a charitable trust or endowment administered by a third-party fiduciary or corporate trustee. The third party distributes the income to UW on an annual basis in accordance with the donor's intent. This arrangement also benefits UW in a significant way but can create some challenges in terms of the timing of the distributions and the amount of income distributed on an annual basis. It is often difficult for the college or program on campus, which plans and budgets on a July 1 to June 30 fiscal year, to appropriately plan for the amount of income that will be received on a calendar year basis from the third-party administrator. When endowments are established and managed by the UW Foundation, a predictable payout is allocated to, and made available for, support of the scholarship, college, program, or faculty position on a monthly basis throughout the fiscal year.



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UNIVERSITY OF WYOMING FOUNDATION COWBOY LEGACY



ARENA-AUDITORIUM RENOVATION

The \$30 million Arena-Auditorium renovation will provide the men's and women's basketball teams with improved practice facilities, first-class locker rooms, and strength and conditioning and sports medicine areas.



Private donors have contributed over \$10 million to renovate the Arena-Auditorium. The State of Wyoming has matched that amount, as well as appropriated \$10 million for the project.

The renovation will occur in two phases. Phase I has begun and includes improvements that will benefit the Cowboys and Cowgirls, including new locker rooms, sports medicine areas, and strength and conditioning center. In addition, Phase I improvements will include several fan amenities, 21-inch padded chairback seating, two new video screens, and new sound and lighting systems.

Phase II of the renovation will include the development of new fan areas on the concourse level, including a new grand entrance on the east side of the building, a pavilion area that will feature the UW Intercollegiate Athletics Hall of Fame, a new ticket office, a club area, and the renovation of the concession areas.

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.