

# Minnesota Veterinary Medical Foundation



# Foundation Facts

## The Foundation Continues to Make a Difference

The Foundation was created by the MVMA Board of Directors in 1990 to serve as the philanthropic arm of the Association. Previously, dues dollars were used to support small scholarships and donations to other worthwhile organizations, but as the association grew in its mission the need for a more substantial source of revenue to support the philanthropic wishes of the board became necessary. After lengthy discussions and thorough research, the papers were drafted by the accountant and legal counsel and submitted to the Internal Revenue Service for approval as a public charity (501 c3) organization which allows contributions to be deducted as charitable contributions.

The intent of the MVMA Board of Directors then and now is to have a Foundation which can help secure the future of the veterinary medical profession in Minnesota by funding much needed scholarships, animal research, public and professional education, as well as projects and organizations which promote the health and well-being of animals in Minnesota.

Because the cost of veterinary education continues to increase each year, the Foundation Board set a goal early on to fund meaningful scholarships which will make a financial difference to those receiving them. Funding a variety of public education projects is also important to help animal owners be more responsible for the animals they care for. Professional education is also part of the mission of the Foundation because animal health care providers are the first line of defense in animal health. A list of the Foundation's contributions in 2008 can be found on the inside section of this newsletter.

Fundraising activities are ongoing throughout the year and with the recent economic downturn, members may find it a little more difficult to contribute to the Foundation. Unfortunately, the need becomes even greater during these times because those receiving contributions from the Foundation are also often in greater need for these funds. The Foundation limits its primary fundraising activities to the annual meeting, dues checkoff, and the summer golf event. Through its partnership with the MVMA, the Foundation has been able to keep its administrative costs to a minimum.

In August of each year, the Foundation hosts a Golf Classic to raise funds primarily for scholarships, but also for the other projects it supports. The continued success of the annual meeting events and golf outings has made it possible for the Foundation to increase the amount given for scholarships. Throughout the year, clinics are encouraged to make pet memorial contributions to the Foundation. Currently, several clinics are doing so on a regular basis. People memorials are also encouraged and members are periodically reminded about putting the Foundation in their will or trust when planning the settlement of their estates.

Finally, the Foundation is fortunate to have a wonderful Board of Directors coupled with committees that work very hard to raise the funds needed to achieve its goals. MVMA members and corporate partners are an integral part of this fundraising. If you wish to help the Foundation with any of the current fundraising projects or ideas, including volunteering, please contact Kelly Andrews at the MVMF office, 651-645-7533 or email her at [kellya@mvma.org](mailto:kellya@mvma.org). If you wish to obtain more information on legacy giving, give Dan Tjornehoj at the MVMF office a call, 651-645-7533. He can provide you with some ideas and resources in your preparing or modifying your estate plan. Remember, there is no amount too great or small which can be made to forward the goals of the Foundation.

## Leave A Legacy

### TO THE MVM FOUNDATION

#### Through Memorials

The Minnesota Veterinary Medical Foundation gives you many choices for giving a memorial in someone's name. You may give a memorial as a remembrance of special people in your life, such as a relative or colleague, or you can give a memorial in remembrance of a special patient and create a bond with your client by showing your understanding of their loss. Several clinics have given pet memorials on a regular basis and have seen their generous and compassionate gesture returned to them through customer loyalty.

If you have questions about any of the memorial choices, please call the MVMA office at 651-645-7533. Gifts to the MVMF is a very special way to memorialize people and animals. So please remember the Foundation when you have a memorial donation for a friend, relative, colleague or patient, and support the scholarships and grants given by the Foundation each year.

#### Through Planned Giving

##### What is Planned Giving?

Planned Giving is a form of charitable giving (philanthropy) that involves contributing one's assets through wills and estate plans. Most planned gifts are by a simple bequest in a will naming an organization to receive a gift. Some donors work with their attorney, accountant or financial advisor to provide for future gifts while reserving an income interest using a charitable remainder trust, charitable gift annuities, or pooled income funds. A planned gift is a future gift to a nonprofit organization to enhance its work. Planned giving is a way for individuals to add satisfaction and meaning to their lives by assisting organizations close to their hearts. Assets used to fund planned gifts include life insurance, IRA beneficiary designations and appreciated assets, such as securities and real estate.

##### Why should nonprofit organizations, like the Foundation be interested in gifts that are deferred until a future date?

The future happens very quickly and deferred gifts could play an important role in the Foundations strategic financial plans. Planned gifts help organizations meet their long-term goals and help provide for responsible and effective financial management. Nonprofit organizations can provide a tax shelter for these gifts because such gifts can avoid capital gains taxes.

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## Remembering Leaders in Veterinary Medicine

The Minnesota Veterinary Medical Association and Foundation has been fortunate to have a number of great veterinarian leaders and visionaries over the years. These individuals have often quietly led this organization and veterinary medicine in Minnesota. One such leader was Dr. Elmer Hokkanen.

Dr. Hokkanen started his practice as a large animal veterinarian before converting over to a small animal practice when he developed back problems. In addition to managing a busy veterinary practice he offered to serve in leadership positions with both the MVMA and MVMF boards. After passing away in 2008 we asked his daughter, Diane Walli, why Dr. Hokkanen thought it was important to consider the foundation as a beneficiary of his estate. She said that he believed that "the veterinary business was good to him and he wanted to give back and share his success with others." She went on to say that "he did this in his personal as well as his professional life and he never asked for recognition. In fact, there were many things he did that no one else knew about except the people involved. He was an excellent example of giving."

The Foundation is grateful for the gift from Dr. Hokkanen's estate as well as his career commitment and lasting legacy to veterinary medicine. We hope that his legacy to the foundation is an inspiration to others.

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# MVM Foundation Scholarships

The MVM Foundation has created several scholarships over the last few years to help secure the future of the veterinary profession and help those who are paying the high cost of education today.

## The Margaret Pomeroy Scholarship

The first scholarship, created in November 1991, was named in honor of Margaret Pomeroy, wife of Dr. Ben Pomeroy. Margaret always had a full cookie jar and a place at the dinner table for any student who needed a good meal or a motherly chat. This scholarship, in the amount of \$3,000, is awarded to a second year veterinary medical student with both financial need and scholastic standing who graduated from a Minnesota high school.

## The Spannaus Scholarship

The second scholarship, originated in March 1994, was created in memory of Dr. and Mrs. Albert C. Spannaus of Waconia, Minnesota. Dr. Spannaus was president of the MVMA for the 1933-34 term. He was a life long contributor to organized veterinary medicine. His wife, Hilda, made the MVMA a heir to her estate and the MVMA contributed this \$70,000 to the Foundation for the benefit of students through a yearly scholarship. This \$3,000 scholarship should be used for tuition, books and fees and is awarded to a third year veterinary medical student with financial need but not specifically a Minnesota high school graduate.

## Companion Animal Scholarship – Food Animal Scholarship

After six years of successful fundraising, two scholarships were created in April 1996. These \$3,000 scholarships are awarded to fourth year veterinary medical students who plan to practice in those areas of veterinary medicine and show a financial need.

## MVMA Award

This award has been given for many years, but with the work of both the MVMA Board of Directors and the MVM Foundation Board of Directors this award was redefined to be awarded to a senior student who exemplifies leadership. The student is chosen by a vote of SCAVMA members and receives a plaque from the MVMA and a \$2,500 award from the MVM Foundation.

## James O. Hanson – Continuing Education Scholarship

In April 1998, the newest scholarship was created in memory of Jim Hanson, who worked so tirelessly to provide the finest quality continuing education possible, both at the College of Veterinary Medicine and through the MVMA Academy. This scholarship is awarded to a post graduate student in the amount of \$3,000 (or divided between two post grads.) The first criteria is to present this award to a veterinarian who has left practice to return to the College of Veterinary Medicine as an intern or resident to continue his/her education and expand his/her knowledge. If a veterinarian cannot be found to fit the first criteria, then the award may be presented to a CVM intern who is staying on to continue their education through a residency program at the CVM. If the first and second criteria do not fit, then the award may be presented to two residents, one in the large animal hospital and one in the small animal hospital, who have been selected by the senior students as being outstanding clinical residents. In all cases, the award should be presented, as much as possible, to a person who meets as many of the following criteria: a) a Minnesota practitioner, b) a University of Minnesota College of Veterinary Medicine graduate, c) a MVMA member or student member.

## Veterinary Hospital Association Memorial Scholarship

Veterinary Hospitals Association (VHA) Memorial scholarship was established in 2009 with the intent of providing an annual scholarship that is intended to serve as an annual tribute to those VHA veterinarian members who have recently passed away. Awarded to a senior veterinary student.

## Veterinary Technician Scholarships

In April 1997, four scholarships were created for veterinary technician students. Two scholarships are given to students at Ridgewater College in Willmar and two are given to students at Argosy University. The scholarships will be awarded to students with financial need and high scholastic standing (qualifying will be based on scholarship during the first half of their education and presented in the second half of the program.) At each school, one of the scholarships will be awarded to a student who is a Minnesota high school graduate, but no residency requirement will apply to the second scholarship. Both schools will develop a selection system based on the scholarship requirements. Each scholarship will be awarded at \$1,000. As veterinary technician schools have increased, the MVMF board has awarded two additional \$1,000 scholarships.

# Who Received the Foundation Scholarships?

Except where noted, the search for scholarship recipients is conducted by the Scholarship Committee at the College of Veterinary Medicine, University of Minnesota. Recipients must comply with the parameters defined for the scholarship they receive. The number of scholarships and the dollar amount awarded may be changed by the MVM Foundation Board from time to time.

## MVM Foundation Contributions

August 1, 2009 – July 31, 2010

MVMA Large Animal State Fair Exhibit	\$10,000
MVMA Small Animal Welfare Committee (New)	\$1,000
MVMA Small Animal State Fair Exhibit	\$5,000
MVMA Annual Meeting Speaker & Poster Sponsorship	\$3,400
VeTouch (New)	\$1,000
MN 4-H Foundation	\$2,500
Minnesota FFA Foundation	\$2,500
Minnesota AG in the Classroom	\$ 500
BART-Basic Animal Rescue Training	\$2,000
MVMRC (New)	\$4,650
Dog Bite Prevention Program (New)	\$1,000
Argosy & Ridgewater 2-\$1,000 scholarships each	\$4,000
Rochester RCTC	\$1,000
Michael Berman (NEW VHA Memorial Scholarship)	\$1,000
Nathan Koewler (Margaret Pomeroy Scholarship)	\$3,000
Ellen Petermeier (Spannaus Scholarship)	\$3,000
Andrea Johnston (Small Animal Scholarship)	\$3,000
Ebener Ballinger (Large Animal Scholarship)	\$3,000
Drs. Shauna Voss & Sara Wefel (\$1500 each) (James O. Hanson Continuing Education Scholarship)	\$3,000
Shannon Mesenhowsk (MVMA Award for Leadership)	\$2,500
Shannon Poole (Public Health Scholarship)	\$3,000
International Externship Awards	\$2,500
<b>Total Contributions '09-'10</b>	<b>\$62,550</b>

### Previous Foundation Contributions from 1990 - 2010

<b>Scholarship Contributions</b>	<b>\$361,900</b>
<b>Other Grant Contributions</b>	<b>\$289,292</b>
<b>Total Contributions</b>	<b>\$651,192</b>

# Planned Giving Terms

These are common terms used in planned giving. The definitions are basic and do not fully state the meaning, benefits, or limitations.

## Planned Giving

- Planned giving often allows a donor to increase income, avoid taxes, and make a generous gift to one or more charitable organizations in the future
- Gifts of appreciated assets or gifts with a low yield can be turned into a higher income producing asset without experiencing a capital gains tax
- The gift to charity is no longer a part of the donor's taxable estate, reducing the estate tax liability
- The gift is provided for now, but the organization benefits sometime in the future
- Several types of planned gifts provide an income to the donor and/or other beneficiaries

## Charitable Bequests

- Provisions in a person's will which leaves money or another asset to a charitable organization
- The bequest may be for a specific amount, a percentage, the residual of the estate, or contingent upon a certain event happening
- The charitable gift is not included in the donor's taxable estate

## Beneficiary Designation

- A charitable organization may be listed as a beneficiary of retirement plan benefits and IRAs
- Can avoid both federal estate taxes and income taxes if they are made payable at death to a charitable organization or to a charitable remainder trust
- Life insurance policies may be contributed to a charitable organization by irrevocably changing the policy ownership and beneficiary to the organization

## Trust Designation

- Individuals who establish a Living Trust, also called Revocable Trust, may designate that at death a particular asset or dollar amount will go to a charity
- Living trusts generally hold all assets of an individual and thus avoids probate as to such assets

## Life Income Gifts

- Allow donors to increase income, save taxes, and make generous charitable gifts
- Gifts must reflect the donor's needs
- Gifts are irrevocable

## Remainder

- The portion of a planned gift that remains after the life of the donor to further the organization's mission

## Charitable Gift Annuity

- Contract between donor and charitable organization
- The donor gives a gift, and in return, the organization guarantees to pay an annual amount for the lifetime of one or two people
- The annual payout is fixed and cannot be changed
- Payout rates vary according to the age(s) of the beneficiary, and organizations normally use rates recommended by a national organization called the American Council on Gift Annuities.

## Deferred Gift Annuity

- The donor makes the gift now, but the payments to the beneficiary are deferred until a later time, often a specific age
- Because the gift has an opportunity to grow, the payments are often larger, as is the final remaining amount that the organization may use

## Charitable Remainder Unitrust

- This requires a legal agreement involving a donor, a trustee, and one or more charities
- The donor permanently transfers assets to the trust, but the charitable beneficiary may be changed
- When the trust is formed, a payout rate (at least 5%) is set. Each year this rate is applied to the unitrust amount, which is paid annually to the donor or another beneficiary
- Annual payouts will vary based on the current value of the trust

The donor may continue to make contributions to the trust

# Leave A Legacy

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It is estimated that \$20 trillion will be transferred intergenerationally between 2000 and 2020. People today are more aware of the personal benefits derived from including charities in their estate plans.

Planned gifts allow donors to make more substantial contributions than their current income would allow, to organizations that have been important to them in their lifetime. It helps donors achieve their charitable and financial goals.

## What are the Requirements for a Planned Giving Program?

While any nonprofit organization is eligible to receive a planned gift, the basic requirements necessary to begin a Planned Giving Program are the following:

1. 501c(3) status with the IRS to allow planned gifts to be deductible from income tax and estate tax (the Foundation is classified as a 501c(3))
2. Incorporated, with bank account, clear financial statements, and by-laws (the Foundation is incorporated, has a bank account, clear monthly financial statements and by-laws)
3. Up-to-date filings as required with state charities officials and the IRS (the Foundation files reports with the Secretary of State, the State Attorney General's office and the IRS each year)
4. Active board with regular board meetings (the Foundation has an active working board who meet 4-5 times a year)
5. Newsletter or other periodic communication with supporters (the Foundation publishes various news items in the MVMA newsletter on a regular basis and publishes a bi-annual newsletter which is distributed at the annual meeting)
6. Mailing list (a mailing list of contributors is maintained at the MVMA office)
7. Individuals identified, either staff or volunteers, responsible for working on planned giving efforts (the Board of Directors assumes this responsibility)
8. Organizational brochure that includes your case statement (distributed at various activities throughout the year including the annual meeting).

## Charitable Annuity Trust

- Similar to the unitrust except it pays a fixed amount per year (at least 5% of initial trust value)
- A fixed dollar payout set when an annuity trust is established.
- The donor may not add additional assets to the trust

## Charitable Lead Trust

- The charitable organization receives income from a trust for a set number of years
- At the end of the term, the assets are returned to family members designated by the donor

## Pooled Income Fund

- This is a charitable "mutual fund"
- The fund contains the contributions of many donors
- The beneficiary receives a proportional share of the fund's earnings. Therefore the amount of income varies annually based on the performance of the fund
- When the beneficiary dies, the charitable organization withdraws that portion of the fund allocable to that beneficiary

## Life Estate Reserved for Residence or Farm

- A donor deeds his or her residence or farm to a charitable organization with the right to live in (or rent out) the home or farm while the donor is alive.

*Note: This information is intended to be general information, please consult with your attorney or accountant for information specific to your situation and individual goals.*