

# GIVING 101

Giving beyond the annual gift is not complicated, but many are unfamiliar with how to support the School of Nursing in a more significant way.

The School of Nursing's endowed funds are part of the greater University of Michigan's endowment, which is managed by Kevin P. Hegarty, U-M executive vice president and chief financial officer and his team, including L. Erik Lundberg, the U-M chief investment officer. The school's endowment is made up of over 80 funds that support professorships, student scholarships, faculty research, and other initiatives. The school's endowment provides financial stability which is why our fundraising efforts are so important to the school's future.

## What is an endowed fund?

*A fund created by a gift in which the principal remains intact and is never used; a portion of the earnings are used to support a scholarship, program, or other purpose as specified by the donor; any earnings beyond the portion used to support the designated purpose are reinvested to hedge against inflation and build the principal to ensure a lasting vehicle of support.*

## Does my gift have to be used to create an endowed fund?

*No, a gift can be used immediately by creating an expendable fund.*

## Will my money be used for something other than what I intended?

*No, a donor specifies how a gift is to be used at the time a gift is made and the purpose is detailed in a gift agreement. The gift agreement is kept on record and used as the document of reference in perpetuity.*

## Can I make a gift over a number of years or does it have to be made in a lump sum?

*Gifts may be made in a lump sum or in annual installments for a period of up to 5 years.*

## Can I make a gift anonymously?

*Absolutely! We have many donors who make gifts and do not wish to be identified.*

## Why does UMSN need an endowment?

- To provide a stable and independent source of income solely for use by the School of Nursing
- To sustain programs during difficult economic times
- To capitalize on opportunities for growth or strategic expansion
- To be able to respond quickly to critical and urgent needs
- To take on new ventures

## Why would I create an endowed fund?

- To ensure the school will continue to meet the needs of future generations
- To give back in appreciation for the gifts you've received
- To honor or memorialize a loved one
- To honor the nurse who provided excellent care
- To create a legacy
- To provide deep personal satisfaction
- To inspire change

## The many ways to make a gift

### Appreciated Securities

Gifts of publicly traded securities that have appreciated in value allow you to avoid capital gains taxes while also claiming a charitable deduction for the full market value of your gift. Securities must have been held for at least 12 months to qualify for gifting without penalty. Gifts of securities are simple, convenient and the tax benefits of giving them outweigh the benefits of selling securities then donating cash.

What does my broker need to know if I want to make a gift of securities?

University's Official Name:  
*Regents of the University of Michigan*

Tax-Identification Number:  
*38-6006309*

## Corporate Match

Don't miss the opportunity to take advantage of a corporate matching gift program. Your gift may double or even triple in value as a result of a matching gift! Check with your company's human resources department to find out if your company will match your gift.

## Unitrusts

A charitable remainder unitrust is a way to support the School of Nursing and you receive an income, for a number of years or for life. Payout is based upon the current market value of the principal and a charitable remainder unitrust has the potential to increase in value over time resulting in a greater gift to the School of Nursing at the end of the life of the trust. A minimum investment of \$100,000 is required.

## Annuities

A charitable gift annuity allows you to make a gift to the School of Nursing which provides a secure and fixed income to you for life. An annuity may be created with cash or securities of \$10,000 or more.

## IRA or 401K/retirement plan assets

Assets in these accounts grow tax-free over time but have significant built-in tax liability. When these accounts are passed on to children or someone other than a spouse, the combined income tax and estate tax may be more than 65%. In most cases it is better to provide a benefit to the School of Nursing by simply naming the school as beneficiary.

## IRA Charitable Rollover

The IRA Charitable Rollover is now a permanent vehicle for charitable giving. The IRA Charitable Rollover is for donors over the age of 70 ½ and allows for transfer of up to \$100,000 per year directly from an IRA to the U-M School of Nursing. The rollover counts toward the annual required minimum distribution one must take from a traditional IRA starting at age 70 ½.

## Bequest

A bequest is simple and a very popular way to leave a legacy to benefit the School of Nursing. Simply a few sentences in your will or trust is all that is needed.

For example:

"I give, devise, and bequeath to the Regents of the University of Michigan, a Michigan constitutional corporation having the control and management of the University of Michigan, (a) the sum of \$ \_\_\_\_\_, or (b) \_\_\_\_\_ % of my estate, or (c) real or personal property herein described, to be used for the benefit of the School of Nursing at the University of Michigan."

## Should I consult with my attorney, tax and/or estate planning professional?

*Indeed you should always seek guidance from a professional who is knowledgeable about your affairs.*

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We are fortunate the University of Michigan has a multitude of resources we can utilize to help you and your family when making philanthropic decisions. Although we cannot replace good tax and legal advice, we can guide you through the process of how to make a gift, determine what area is of interest to you, and which area is a priority to support. We make sure you are comfortable in every step of the process. Let us know how we can help you help the University of Michigan School of Nursing.

## Contact Us

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