

Creating Futures



University of Colorado *Foundation*

Making A Tax-wise Gift

There are several tax-wise gifts to consider:

Outright gift: An outright gift of cash qualifies for a full 100% charitable deduction. This deduction is limited to 50% of your AGI in the year of the gift. Any excess deduction may be carried forward for five additional years.

Stocks and Mutual Funds: Gifts can be made outright or used to fund a planned gift. You may avoid capital gains taxes and will receive a charitable income tax deduction. Gifts of appreciated property held longer than one year are limited to 30% of your AGI in the year of the gift, with five additional years to carry your deduction forward.

Real Estate: A gift can be made in many ways: as an outright gift, bargain sale (sale of property to CUF below current value), retained life estate (gift of personal residence, farm, ranch, condo where donor continues to enjoy use of property), or to fund a charitable remainder unitrust. Tax advantages will vary. You may avoid or defer capital gains taxes and receive other benefits.

Bequests: Gifts of a specified amount, percentage, or the residual of your estate in your will allows you to use your assets now, and provide for charity upon your death.

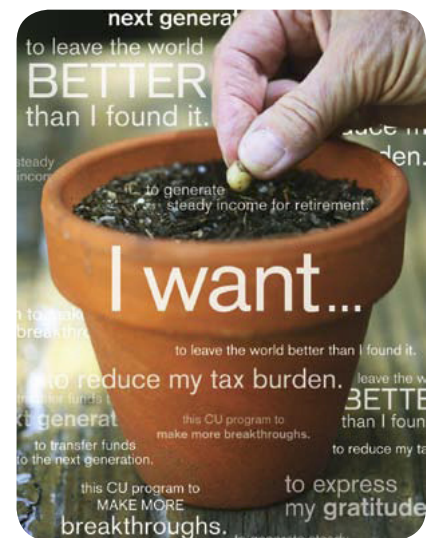
Charitable Remainder Trusts: Gifts of stocks, mutual funds, real estate and cash can create a charitable remainder trust that pays income for your life. You may defer capital gains taxes, receive a charitable income tax deduction, and decrease future estate taxes. \$100,000 minimum (except real estate).

- Charitable Remainder Unitrust—Fixed % of value of trust assets revalued each year for life or a term of years. Gift additions may be made.
- Charitable Remainder Annuity Trust—Annual fixed income for life or a term of years.

Gift of Retirement Plan Assets: Avoid income and estate taxes by designating the CU Foundation as a beneficiary with your plan administrator. A special opportunity: Until December 31, 2009, those 70½ years and older may give up to \$100,000 per year of IRA assets to charity without incurring income.

Charitable Lead Trust: A charitable “loan” in the form of a trust. The trust makes payments to CUF for a term of years with the remainder back to the donor or his/her heirs. Provides estate and gift tax savings.

Testamentary Planned Gifts: Any life income gift through your will.



Additional Gift Planning Options:

- **Charitable Gift Annuity:** Lifetime fixed payment; \$10,000 minimum.
- **Gifts of Business Interests:** outright or through a trust
- **Life Insurance Gifts:** Get a current income tax deduction by gifting outright, or simply list CUF as a remainder beneficiary.

continued on back



Endowments Gifts To Fund The Future

Please contact your personal advisors regarding the tax effects of any gift.

For more information on planned giving:

Contact Gift Planning Group

University of Colorado Foundation
4740 Walnut Street
Boulder, CO 80301
Phone: 303.541.1335
Toll-free: 1.888.287.2829
Fax: 303.541.1397
planned.gifts@cufund.org

www.cufund.org/planned-giving

The CU Foundation is a tax-exempt organization under Internal Revenue Code 501(c)(3), and a public charity under Internal Revenue Code 509(a)(1) and 170(b)(1)(A)(iv). Federal tax identification number is #84-6049811.

All gifts should be made payable to the University of Colorado Foundation, specifying the appropriate fund.

August 2009

Endowments offer a reliable and permanent source of funding to the university by providing support in perpetuity. An endowed chair is one of the most valuable gifts a university can receive and one of the most prestigious honors it can bestow. Endowed chairs attract gifted faculty and researchers.

Endowed funds can also provide continuing support for research, fellowships, lectureships, scholarships and awards.

How to Establish an Endowment

An endowment may be established with outright gifts of cash or appreciated property, including securities and real estate.

- All outright gifts of cash qualify for a full 100% charitable deduction. This deduction is limited to 50% of your adjusted gross income in the year of the gift. Any excess deduction may be carried forward for five additional years.
- The most favorable tax benefits are generated by gifts of securities or real estate that have significantly appreciated in value. In addition to receiving a charitable deduction, you avoid paying the capital gains tax when the Foundation sells the property. Gifts of appreciated property held longer than one year are limited to 30% of your AGI in the year of the gift, with five additional years to carry the deduction forward.

How Funds are Generated by an Endowment

Endowment gift moneys are invested by the CU Foundation with a fixed percentage of an endowment's value being distributed every year. Additional earnings are returned to the principal to ensure growth and to protect against inflation.

Under current University of Colorado Foundation policy, the greater of 4% of prior period market value or 4.5% of the prior three-year moving average of the market value of the fund is distributed annually.

