



Gift Planning at Georgia Tech

The following feature is by Louis W. Rice III, J.D., a director of Gift Planning in the Office of Development at Georgia Tech.

Consider the estate provision 'backstop'

Philanthropic intent does not wane in uncertain economic times. We find that alumni and friends of Georgia Tech who believe in the Institute and want to support it are as committed to Tech's future as ever. However, in these times perception is important. Many may think their ability to support Tech has been diminished, and consequently careful gift planning is more important than ever.

Consider the following examples:

- A retired professor makes annual expendable gifts to enhance the quality of teaching at the Institute, and makes provisions to create an endowment to fund those gifts in perpetuity through a series of charitable gift annuities that provide income to him for life.
- The widow of a Tech alumnus creates an endowment through her estate plan, and then through a series of IRA charitable rollovers begins to fund the endowment during her lifetime.
- Through a bequest, an alumnus supports a particular curriculum, and makes annual expendable gifts to see how that program will operate after his lifetime.

- An alumna wants to create a scholarship fund through a series of annual gifts. She puts a provision in her will stating that should the fund not reach a particular amount during her lifetime, she bequeaths the amount necessary to bring it to the level she desires.

In all the above examples, the donor has conceived his or her ultimate gift, and has used creative gift planning to bring that vision to reality in a way that allows for maximum flexibility. "Backstopping" your charitable intent through an estate provision, then making lifetime gifts to bring your ultimate gift to fruition, is a way to make a gift you may not have thought possible.

Making a gift of appreciated assets has always been tax-efficient. The donor takes a charitable deduction for the current value of the donated assets and avoids capital gains tax on the appreciation. But what if your portfolio, real estate, or retirement account has decreased in value? Reluctance to liquidate an asset, or entering into an irrevocable gift arrangement, is certainly understandable. The revocable nature of an estate provision makes such a gift plan even more attractive since it allows the gift arrangement to be revisited when economic times improve.

A useful way to provide for the Georgia Tech Foundation in your estate plan is to make GTF the remainder beneficiary of your estate. "I found this idea to be the best way of planning my estate gift to

Georgia Tech," says Larry Balkin, AE 1964. "Tech's Gift Planning staff encouraged me to detail the individuals and organizations I wanted to leave money to, and make specific bequests to each of them. After I had done that, I left the remainder of my estate to the Georgia Tech Foundation. I like knowing that those people who are important to me are going to be provided for regardless of market conditions. For me, it was the ideal way to support Georgia Tech in a meaningful way."

Obviously, none of us knows when the current market will recover. Moreover, we understand when a donor tells us he or she does not want to be locked into a gift arrangement that cannot be revisited and adjusted when market conditions improve. At the same time, we want to enthusiastically encourage donors to contemplate their philanthropic vision. We want donors to think about how their ultimate gift could transform Georgia Tech, even though the timing for that gift might not be right now. The estate provision backstop accomplishes this, whether your gift comes to Georgia Tech in the distant future, or perhaps sooner as an improving economy puts you in a stronger position. We would be pleased to explore this idea with you further. Just e-mail founderscouncil@dev.gatech.edu, call 404.894.4678, or visit <http://gatech.plannedgifts.org>.