

PROVIDE SECURITY AND SUPPORT WITH A PLANNED GIFT

If you are interested in making a donation but worry about ensuring that your family's needs come first, consider creating a planned gift.

We often hear the comment, "Yes, I would like to make a substantial gift to Arkansas Tech University, but I need to be absolutely sure of my own family's security first." We could not agree with you more. It always pleases us, however, to point out that it is possible to have it both ways—to secure the future of your family and the future of our organization. The solution is to make a planned gift to us.

One type of planned gift, a life income arrangement, lets you reserve an income interest for yourself or a family member first, either for a term of years (not to exceed 20) or for a lifetime. At the end of this income period, we would receive the remaining assets for our organization's needs.

You will also receive numerous benefits such as:

- getting a money-saving federal income tax deduction for a portion of the current value of your gift;
- increasing your income when you choose a plan whose yield is greater than the current yield from the donated property;
- freeing yourself of certain investment responsibilities, if desired, and securing professional management of the assets you give;
- qualifying for generous estate and gift tax benefits when you follow certain charitable guidelines.

Many types of charitable gifts have specific advantages and benefits that we



Planning ahead is the first essential element in protecting your family, your finances and your intentions.

will be happy to help you explore. With the counsel of qualified legal and tax advisors and our organization's representatives, you can create an attractive and workable plan that blends your financial and philanthropic goals. Simply give us a call. ■



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Visit Our Gift and Estate Planning Web Site!

- Access a complete source of ideas and information on estate planning and charitable giving.
- Discover how charitable donations can provide payments for yourself and your loved ones.
- Calculate your benefits with our online gift calculator.



<http://givetotech.atu.edu>



HERITAGE

a financial & charitable planning guide

SUPPORTING A VISION OF PROGRESS

Bob and Sandra Norman appreciate the broad vision that has guided Arkansas Tech University for more than a decade, and they have given generously to help bring that vision to fruition.

The Normans will always be remembered as the namesake for Tech's new art center, Norman Hall, yet their contributions to the arts are just one way the couple's philanthropic spirit has helped transform the Tech campus. In addition to leadership gifts to the Pendergraft Library and Technology Center and the *Return to Glory Campaign*, many of their loyal gifts have focused on campus beautification and landscaping.

Sandra (Brownlee) first came to Tech with her mother, Eunice Brownlee Ferguson, in 1950. Mrs. Brownlee was the assistant to Paul Fiser at the Tech dining hall for many years. "The employees at the dining hall became like family to us, and we definitely were part of the entire Tech family," Sandra says. "I have always felt at home on the Tech campus."

Bob, one of six children, grew up in Oklahoma, but moved to Houston as a senior in high school. As a "walk-on" for the Tech football team, he played four years under Coach Sam Hindsman. Bob's love for Tech and admiration for its staff and faculty grew as he did. "People at Tech took an interest in

me, and I will always be grateful for their support," he says. "I began many wonderful lifelong friendships at Tech and met my wife of 49 years there."

After graduating, Bob fulfilled his military commitment in the Army before he and Sandra moved to Houston, where they raised their family and began several successful manufacturing companies. Today the couple lives primarily in Tulsa and actively serves on the boards of several institutions. In addition to their love of the arts, athletics and landscaping, they enjoy golf, traveling, their family and many treasured friendships. ■



Bob and Sandra Norman

DON'T LET DEC. 31 SNEAK UP ON YOU

As the holidays approach, your list of things to do in December probably triples in size. But here's another item to add: Make your charitable gifts. Why? Because if you donate before the end of the year, you'll see a tax break when you itemize deductions on your income tax return.

Timing Is Key

Tax planning is a year-round process, but the end of the year is your last opportunity to reduce current-year income taxes. Review this checklist of smart year-end giving strategies to help you get the most out of your generosity.

- **Prepay a pledge.** Speeding up deductions lets you save taxes sooner. Consider prepaying a pledge due next year or even beyond. Or make a larger contribution this year. (Pledges are deductible in the year fulfilled, not when initially pledged.)
- **Give appreciated assets.** Writing a check is simple, but when you give appreciated property you've held more than one year, you can claim a deduction for its full fair market value *and* avoid any tax on the appreciation. Generally for securities, their fair market value is the average between the high and the low price on the date of delivery. For mutual fund shares (open-end investment companies), their fair market value is their redemption price.

The table, *far right*, illustrates the added federal tax savings a donor can realize with a gift of stock now worth \$10,000 that originally cost \$2,000, a gain of \$8,000. The tax savings are even greater for a taxpayer who is in a higher bracket or subject to state income taxes.

- **Take a capital loss yourself.** If you own securities worth *less* now than when you purchased them, sell them and contribute the proceeds. This way you can take a capital loss on your return to the extent allowed by law, which you can't do if you donate those securities directly to us.
- **Consider donating real estate, works of art and other tangible property.** Generally these assets are not traded on an exchange or over the counter. So fair market value is the price at which such property would change hands between a willing seller and a willing buyer, as substantiated by a qualified appraisal.

The date of the gift is the date the property is delivered to the charitable organization. For real estate, this is the date the charitable organization receives a properly executed deed (or its recording date in some states).

We Can Help

As you can see, your tax benefits depend on what you give and when you give it. We can assist you and your financial advisors with the details of making a gift to help support our mission. Or, if you're still in the planning stages, ask Arkansas Tech University for help in determining how your donation can be more tax-efficient. ■



A gift given to Arkansas Tech University during your lifetime allows you to see the good it will accomplish.

Save More Taxes By Giving Appreciated Stock

	Gift of Cash	Gift of Appreciated Stock
Value of gift	\$10,000	\$10,000
Income tax savings in 28% bracket	(\$2,800)	(\$2,800)
Capital gains tax avoided: (15% × \$8,000)		(\$1,200)
Total tax savings	(\$2,800)	(\$4,000)
Net cost of \$10,000 gift	\$7,200	\$6,000

TAKE TAX BENEFITS EARLY AND OFTEN

Any number of decisions with tax consequences are likely to occur throughout the year. That's why it's important to have a plan in place for charitable giving so you can act on it regardless of the season.

Actions driven in part by tax policy will need full documentation during tax filing season. If you haven't already, now would be a good time to start a checklist to document any activity this year with tax consequences so you get full credit for any charitable transactions. Tax advisors say one common pitfall they see is the failure to follow IRS rules for substantiating gifts. This can result in a missed opportunity to claim a contribution. Here are some points to keep in mind:

- Make all of your gifts to qualified charitable organizations—ones that are recognized by the IRS. Do not hesitate to ask an

organization for proof of its charitable status prior to making a gift, or check the IRS Web site (www.irs.gov) and search for "Publication 78" to view a cumulative list of charitable organizations.

- For a gift of any amount of actual currency, you must have a dated receipt from Arkansas Tech University stating the amount of your gift and whether you received anything of value in return for it. The same applies for a gift of \$250 or more by check or other property. Your cancelled check will suffice for gifts by check of less than \$250.



"A goal without a plan is just a wish."

—Antoine de Saint-Exupery

- Remember, you must file Form 8283 (Noncash Charitable Contributions) with your tax return if your deduction for all property contributed in the year is more than \$500. And you will need a qualified appraisal to deduct more than \$5,000 for a gift of property (other than cash or marketable securities), or to deduct more than \$10,000 for a gift of closely held stock. ■

IRS Publication 526 explains how to claim deductions for your charitable contributions, how much you can deduct and what records to keep. It is available online at www.irs.gov.

YOUR IRA: THE PERFECT YEAR-END GIFT

If you are 70½ or older, the Pension Protection Act of 2006 allows you to make a direct transfer of up to \$100,000—*free of taxes*—from your IRA to an eligible charitable organization. While you will not pay income tax on the amount, you also cannot claim a charitable deduction. The gift must be made on or before Dec. 31, 2007. Take advantage of this unique opportunity now, before it expires.

MAKING A
DIFFERENCE
WITH

YEAR-END
GIVING

Be Generous at Year-End

Charitable actions take on greater importance at the close of the year. Donations can help you avoid unnecessary taxes while you benefit those charitable organizations in which you believe. Many giving vehicles also offer benefits to your family or other loved ones. Above all, there is a heartfelt satisfaction from giving that goes with the season as another year winds down. To learn more, send for our **FREE BROCHURE** by returning the enclosed response card/reply mailer.