

IRA Rollover Gifts to Abilene Christian University

Using your individual retirement account to help students change the world





IRA Rollover Gifts to Abilene Christian University

Using your individual retirement account to help students change the world

If you are like most people, your individual retirement account (IRA) has increased in value over the years. And when the government requires you to start withdrawing from your IRA, you might even have more income than you need. An IRA rollover gift is a simple and easy way to make a gift to Abilene Christian University or to other qualified charities while not increasing your taxable income.

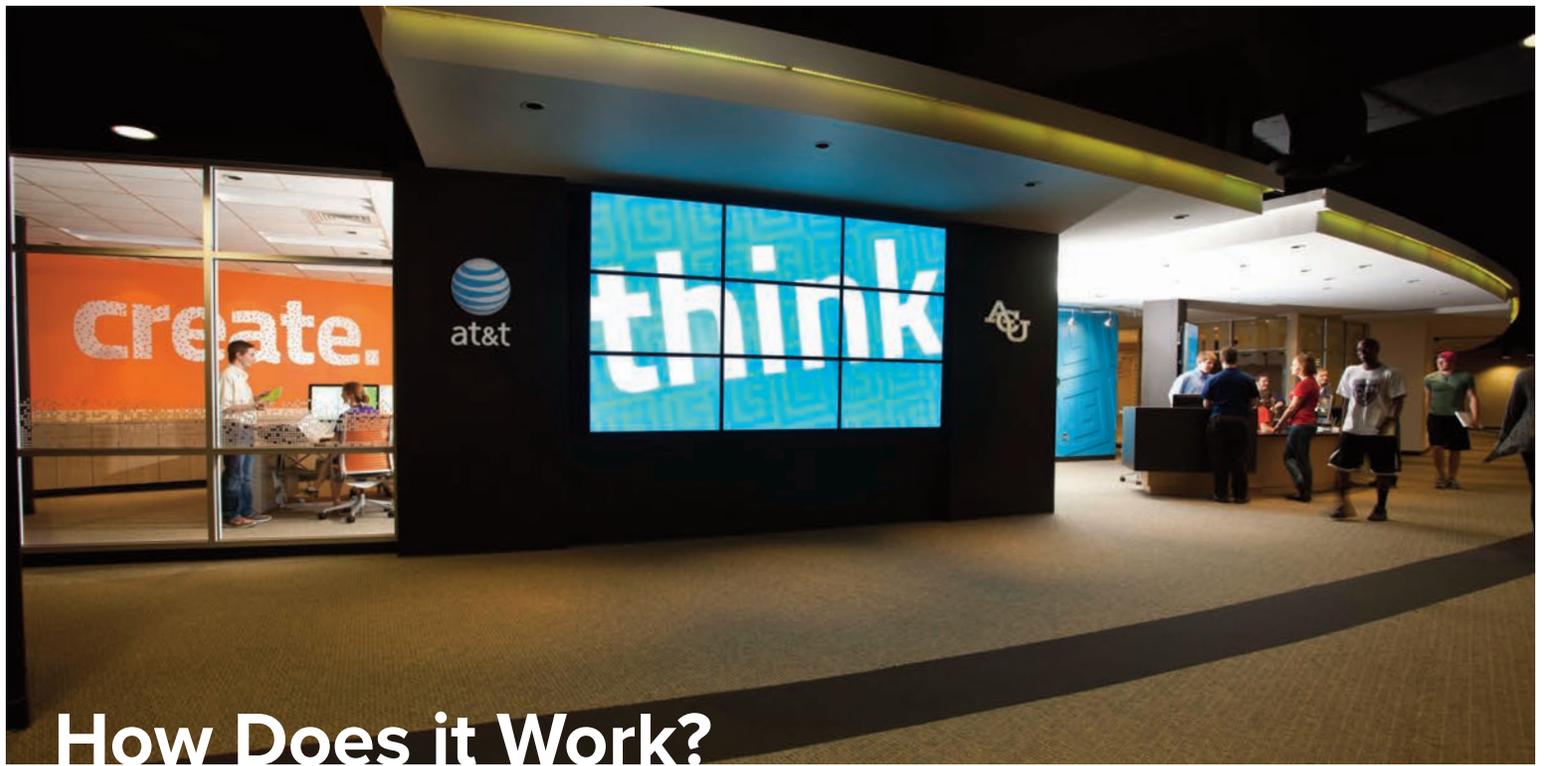
Thanks to the Protecting American Taxpayers and Homeowners (PATH) Act, which includes a permanent extension of the IRA charitable rollover tax incentive, people age 70 ½ or older can roll over amounts from their IRA to qualified charities like ACU without claiming any increased income or paying any additional tax.

These tax-free rollover gifts could be \$1,000, \$10,000 or any amount up to \$100,000 in one year (and even \$200,000 for a married couple with separate IRAs).

Your IRA gift can be unrestricted and go into the general operating or endowment funds at ACU, or you could elect to set up a special endowment or scholarship. We would be happy to work with you to make sure that your gift is used to support the programs and activities at ACU that are important to you.

The generosity of alumni and friends has allowed ACU to grow exponentially. Thanks to the IRA rollover, your gift can help the university continue to push forward while simultaneously saving you taxes.





How Does it Work?

Under the PATH Act, the following requirements must be met to roll over your IRA to charity:

- The donor must be at least 70 ½ years of age when the gift is made;
- The transfer must be made directly from the IRA administrator to ACU or to another qualifying charity;
- The IRA gift cannot exceed \$100,000 per person (or \$200,000 for a married couple with separate IRAs) in a given year;
- The donation must be an outright gift, meaning the gift cannot be used to fund a life-income gift such as a charitable gift annuity or charitable remainder trust;
- There is no charitable deduction, but by directly rolling your IRA distribution, you can actually lower your annual income amounts and, therefore, lower your income tax liability;
- The distribution counts toward the donor's minimum required distribution for the current tax year;
- The rollover provision applies only to traditional IRAs, not to 401(k)s, 403(b)s and other similar retirement plans. Gifts also may be made from Roth IRAs, but distributions from a Roth are generally tax-free to the donor anyway, depending on the donor's age and the length of time the Roth IRA has been in place; and
- Gifts cannot be made to donor advised funds or private foundations.

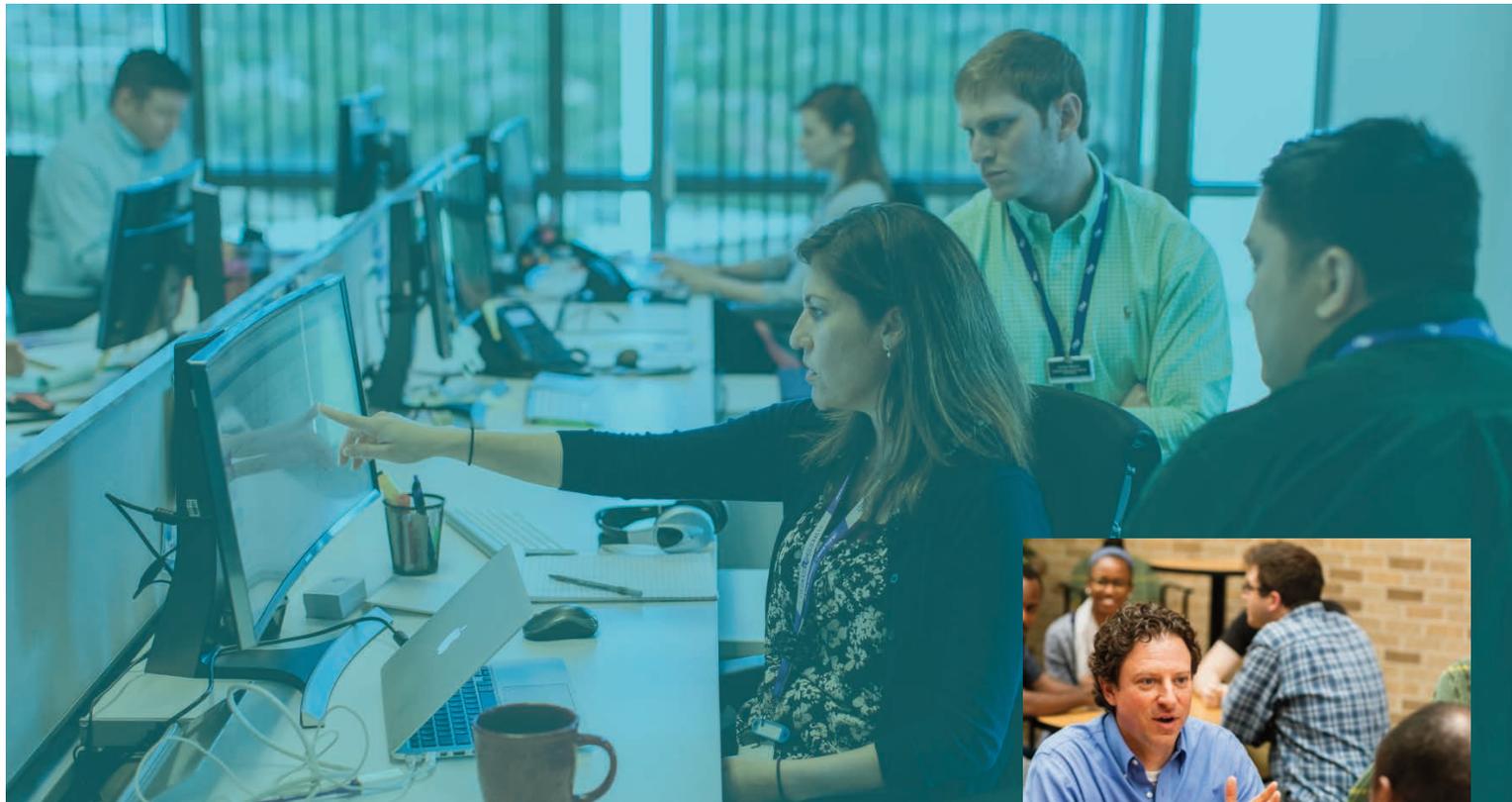
Current IRA gifts

To make an IRA rollover gift, all that you have to do is contact your IRA's custodian and request that an amount be transferred to ACU. Your IRA custodian will make sure the funds are transferred directly to the university, thereby guaranteeing the money is donated and avoids federal income tax. ACU can provide your IRA custodian with bank transfer instructions and tax-identification directives.

Future IRA gifts

Many families have elected to strategically use their IRAs as part of their larger estate plan. Careful planning may allow an individual to support charities and heirs with their IRA. Here are some helpful options:

- **Bequest:** Designate ACU as the beneficiary of your IRA. This permits you to continue to make withdrawals during your life and leave the remaining value of the the IRA to ACU.
- **Testamentary IRA Gift Annuity:** Make a future gift of your IRA to ACU while providing life income to your heirs. Your family will receive fixed payments based on age.
- **Give it Twice Testamentary IRA:** An IRA could also be transferred to a special "Give it Twice" trust that usually provides income to heirs for up to 20 years. After that time, the trust may pass to ACU, creating a wonderful way for you to make a charitable gift.



How an IRA Rollover Gift Can Help the University

By designating your IRA rollover gift, you can support the programs and activities at ACU that are important to you.

Gifts at any level

Generally, gifts of any level can be designated to the ACU Exceptional Fund, to the general endowment, or to previously established endowment funds.

The Exceptional Fund provides a steady stream of revenue year round that affects every student by helping fund vital scholarships, world-class faculty and innovative programs.

ACU's endowment is the bedrock of the university and a way to provide stability against year-to-year economic challenges including the support of scholarships, faculty and programs.

Abilene Christian has many established scholarships and other endowments that have been founded by generous donors and families. Gifts of any level can be added to these previously established funds.

Unrestricted endowment funds

Gifts of at least \$10,000 can be named to honor a person or family of your choosing. An unrestricted named endowed scholarship can be generally designated to the ACU endowment or the ACU Athletics endowment.

Restricted endowment funds

Gifts of at least \$25,000 can be both named and further restricted to guarantee that gift supports the donor's specific area of interest. ACU will work with each donor to ensure that your gift is directed to where you would like the dollars to go annually, including the establishment of a restricted named endowed scholarship fund.

Adding to your established restricted and unrestricted endowments

Once created, you can make additional contributions at any level to your endowment fund. You can also encourage family members and friends to support your specific project to help your fund make an even bigger impact.

For more information, please contact:

Office of Gift Planning
Hunter Welcome Center
ACU Box 29200
Abilene, Texas 79699-9200

Local: 325-674-2508
Toll-Free: 800-979-1906
Email: giftplanning@acu.edu
Website: acugiftplanning.org