



Choosing a Trustee

Q: Will Stanford serve as trustee for my charitable remainder unitrust or charitable remainder annuity trust?

A: Yes, in most circumstances.

Charitable remainder trusts (both annuity trusts and unitrusts) are legal entities separate from the university itself. The donor or donors of each trust must select a trustee.

The trustee is responsible for all trust administration, financial and tax accounting, federal and state tax returns and reports, distributions to beneficiaries, and investment matters.

A donor can serve as trustee of his or her own trust. Banks and commercial trust companies are also available to serve as trustee. Often family members, trusted business associates, or friends are considered for this role. Alternatively, some charitable organizations, including Stanford, are willing and qualified to serve as trustee for charitable remainder trusts.

Stanford, with few exceptions, is not only willing to act as trustee, but also prefers to act as trustee of qualified charitable remainder trusts that will ultimately benefit the university. With Stanford serving as trustee, we believe all of the necessary tax and other legal requirements of the trust will be handled accurately and on a timely basis. The trust assets will be invested by the Stanford Management Company, a division of the university charged with managing its endowment. The Stanford Management Company employs a broadly diversified approach in investing charitable trust assets and uses the services of several of the investment professionals who manage Stanford's endowment assets.

Stanford acts as trustee without charging a trustee's fee. Expenses incurred by the university in investing and administering charitable trusts are charged to trust principal, not to trust income, and are limited to no more than 0.3 percent of the value of trust assets—30 basis points, annually. This charge is quite low by industry standards, since many trustees charge around 1.0 percent or more.

Stanford's several decades of experience serving as trustee for charitable trusts—as well as a strong, proven track record in managing one of the largest university endowments in the country—means that donors can count on their trusts being well managed by Stanford. In addition, the university offers an option for certain qualified charitable remainder trusts to be invested with the Stanford endowment.



CONTACT US

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