

Giving to Stanford

STANFORD UNIVERSITY'S PLANNED GIVING MANUAL

(The Stanford R-Plan)
2014



*“We will found a university so strong
that it may endure for all the centuries,
and whose organization shall be so free
and flexible that in each age
it shall reflect the best spirit of the time...”*

-DAVID STARR JORDAN
First President of Stanford University

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INTRODUCTION

I. INTRODUCTION

A. Gift Support for Stanford University

As a private, independent university, Stanford relies on private philanthropy for a large part of its operating funds. This has been true since it was founded with extraordinarily generous gifts from Senator and Mrs. Leland Stanford, and the tradition has continued, through the bequests of the Founders and the gifts and bequests of generations of alumni and friends, to this day.

The purposes for which Stanford needs and seeks gift support are many and varied. In broad terms, they encompass student financial aid, faculty salaries, library support, research funding, course development, and the construction and renovation of buildings.

B. Stanford University's Planned Giving Manual

Stanford University's Planned Giving Manual is part of an informal program known as The R-Plan that provides information about gifts and bequests to Stanford University. The R-Plan was originated in 1937 by Senator Louis H. Roseberry, '03, and named in his honor. More than 1,000 alumni and friends now participate in this worthwhile program. They are encouraged to suggest Stanford University as a worthy beneficiary to potential benefactors when it is appropriate for them to do so, and to communicate with the Office of Planned Giving at the University for additional information and assistance regarding individual gifts and bequests.

The Stanford University Planned Giving Manual is published for the use of the members of the Stanford R-Plan. Its various sections provide general information about the university, its legal status, a summary of types of gifts and methods of giving to Stanford University and the tax consequences thereof, and sample gift and bequest forms. The manual is provided free of charge. There are no dues, solicitations or obligations

connected with it. Those who receive the manual are asked only to review the materials and keep them available for future reference.



THE LEGAL AND TAX STATUS OF STANFORD UNIVERSITY

II. THE LEGAL AND TAX STATUS OF STANFORD UNIVERSITY

A. The University's Legal Name

The official name for Stanford University is THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY. This is the preferred name for all gifts and bequests, although in most cases the use of the name STANFORD UNIVERSITY is sufficient.

Gifts should not be made payable to or in the name of a specific department or program. Directions restricting gifts should be explained in a cover letter accompanying the gift.

The federal tax identification number for the University is 94-1156365.

B. Legal Status

1. The Founding Grant

An enabling act was passed by the California legislature on March 9, 1885, under which a university, or universities, might be founded, endowed and maintained in California through an ordinary deed of trust. Senator and Mrs. Stanford executed such a deed of trust on November 11, 1885, founding Stanford University. This document, known as the Founding Grant, conveyed to the Trustees the Palo Alto Farm and other properties, directed that a university be established on the Palo Alto Farm, and outlined the objectives and government of the university.

The Founding Grant reserved to the Founders the right to amend the Grant, and Mrs. Stanford, in the years following her husband's death in 1893, made several amendments. Mrs. Stanford formally relinquished this amending power in 1903.

A series of legislative acts and court decrees, beginning in 1900, protect the University's tax exempt status, confer the right to exercise corporate powers and privileges upon the Board of Trustees, repair certain legal defects in the original grant, modernize the investment powers of the Trustees, etc.

Stanford University is organized as a trust. The full legal name of the trust is The Board of Trustees of The Leland Stanford Junior University. Although organized as a trust, the Legislature expressly gave the Board of Trustees the right to exercise corporate powers and privileges; the Legislature acted pursuant to the specific authority conferred by Article IX, Section 10, of the California Constitution.

2. California Constitution – Legislation

Enabling Acts

(Approved March 9, 1885, California Statutes 1885, p. 49)

The preamble to this act, developed in direct response to the Stanfords' desire to establish a university in memory of their son, reads:

An act to advance learning, the arts and sciences, and to promote the public welfare, by providing for the conveyance, holding, and protection of property, and the creation of trusts for the founding, endowment, erection and maintenance within this state of universities, colleges, schools, seminaries of learning, mechanical institutes, museums, and galleries of art.

Constitutional Amendment Confirming The Founding Trusts, Etc.
(Article IX, Section 10, Constitution, State of California)

This amendment, adopted November 6, 1900, reads in part as follows:

The trusts and estates created for the founding, endowment and maintenance of the Leland Stanford Junior University, under and in accordance with 'An act to advance learning, etc.,' approved March ninth, eighteen hundred and eight-five, by the endowment grant executed by Leland Stanford and Jane Lathrop Stanford on the eleventh day of November, A.D., eighteen hundred and eighty-five, and recorded in liber eighty-three of deeds, at page twenty-three, et seq., records of Santa Clara County, and by the amendments of such grant, and by gifts, grants, bequests, and devises supplementary thereto, and by confirmatory grants, are permitted, approved, and confirmed. The Board of Trustees of the Leland Stanford Junior University, as such, or in the name of the institution or by other intelligible designation of the Trustees or of the institution, may receive property, real or personal, and wherever situated, by gift, grant, devise, or bequest, for the benefit of the institution, or of any department thereof, and such property, unless otherwise provided, shall be held by the Trustees of the Leland Stanford Junior University upon the trusts provided for in the grant founding the University, and amendments thereof, and grants, bequests, and devises supplementary thereto. The Legislature by special act, may grant to the Trustees of the Leland Stanford Junior University corporate powers and privileges, but it shall not thereby alter their tenure, or limit their powers or obligations as trustees . . .

Article IX, Section 10, set forth above as in effect on January 1, 1973, was superseded on November 5, 1974, by Article XX, Section 6, renumbered June 8, 1976, to the current Article XX, Section 2, as follows:

Article XX, Section 2: Except for tax exemptions provided in Article XIII, the rights powers, privileges and confirmations conferred by Sections 10 and 15 of Article IX in effect on January 1, 1973, relating to Stanford University and the

Huntington Library and Art Gallery, are continued in effect.

Act Conferring Corporate Powers

(Approved February 14, 1901, California Statutes 1901, p. 4)

Section 1.--The trustees of the Leland Stanford Junior University are given the right to exercise corporate powers and privileges, and to that end they may organize and act as a board of trustees, elect such officers of such board as they may deem to be necessary, adopt by-laws, and as such board, and through the officers thereof, they may transact such business, perform such acts, and exercise such powers as they in writing may provide may be transacted, performed, and exercised by such board. Such board may adopt a seal which shall read, 'Seal of the Leland Stanford Junior University,' and such seal, when attached to any document or writing, shall be prima facie evidence that such document or writing was made by and under due authority from such board and from such trustees. Nothing herein shall be deemed to alter the tenure or limit the powers or obligations of such trustees.

(The substance of the foregoing is set forth also in Secs. 94000, 94001 and 94002, Education Code.)

C. Tax-Exempt Status

Stanford University is an exempt institution organized and operated exclusively for educational purposes. Gifts to the University qualify for the highest income tax deduction permitted under Federal and California law; gifts and bequests are also exempt from gift, estate and inheritance taxes. Gifts to the University from private foundations are qualified distributions not subject to excise tax, and the University is also a qualified transferee for assets of private foundations on their termination.

The most frequently applicable sections of Federal and California law are these:

Exempt status of Stanford University:

Section 501(c)(3), Internal Revenue Code

Section 94020, California Education Code

Article XIII, Sections 3(e), 26, California Constitution

Income tax deduction:

Section 170, Internal Revenue Code (individuals and corporations)

Section 17201, California Revenue and Taxation Code (individuals)

Section 24357, 24359, California Revenue and Taxation Code
(corporations)

Gift tax:

Section 2522, Internal Revenue Code

Estate tax:

Section 2055, Internal Revenue Code

Section 13302, California Revenue and Taxation Code

Private Foundations:

Section 4942(g), Internal Revenue Code (qualifying distributions)

Section 507(b), Internal Revenue Code (termination)

For copies of the documents which bear on Stanford University's tax exemption, please contact the Office of Planned Giving. (650) 725-4358.



TYPES OF GIFTS AND WAYS OF GIVING

III. TYPES OF GIFTS AND WAYS OF GIVING

A. The Individual Income Tax Charitable Deduction

To encourage private philanthropy, Congress has traditionally granted favored tax treatment to charitable contributions by individuals. This booklet illustrates some of the ways in which this favorable treatment can be utilized by individual donors wishing to make gifts to Stanford.

1. Gifts Come Off the Top of Income

In computing taxable income, taxpayers who itemize their deductions are allowed a deduction for contributions to qualified charities. A gift to Stanford, whether made from capital or income, reduces income subject to tax at the donor's highest rates. The result: less tax for the donor and a dollar benefit to Stanford substantially greater than the donor's out-of-pocket cost. Generally, a donor can determine the approximate tax saving resulting from a gift to Stanford by multiplying the amount of the gift by the donor's highest marginal tax rates.

***Example A-1:** Net cost of gift. Alice and Andrew are both Stanford alums who itemize their deductions and have taxable income that places them in the 28% marginal federal tax bracket. (The highest federal marginal tax bracket is 39.6%). If they give \$100 to The Stanford Fund, the gift is offset by \$28 in federal income tax savings. The donors' out-of-pocket cost in making the \$100 gift is only \$72.*

Most states also have an income tax which can be reduced by charitable gifts. The income tax bracket in California for Alice and Andrew would be 9.3%. (The highest California income tax bracket is 13.3%). The combined effective tax rate of a federal tax rate of 28% and a California tax

rate of 9.3%, after applying the federal deduction for California State taxes, is approximately 35% .

***Example A-2: Net cost of gift.** If Alice and Andrew live in California, the combined federal and state tax savings is \$35, so that the cost of their \$100 gift is only \$65.*

2. Valuation of Gifts

In calculating the charitable deduction, gifts are normally included at their "fair market value" — the price at which property would change hands between a willing buyer and a willing seller, neither being under compulsion to deal and both knowing the relevant facts. Special factors may affect the allowable deduction in certain cases, such as gifts of appreciated tangible personal property (see page 23), ordinary income property (see page 22), or appreciated long-term capital gain property for which an alternative valuation election has been made (see page 24).

3. Reporting Requirements for Noncash Gifts Greater than \$500

Donors who make gifts other than cash must prepare an information return, Form 8283, if the value of the gifts is greater than \$500. Donors of publicly traded securities at any value, and donors of closely held stock valued at \$10,000 or less, need to provide limited information only. Donors of other types of property valued at more than \$5,000, however, must have their gift appraised by a "qualified appraiser," who must sign the "Appraisal Summary" found in Part III of the Form 8283. In addition, an authorized representative of Stanford must acknowledge receipt of the gift by signing the form in Part IV.

If the University sells the gifted property within three years, it must report the sales price to the Internal Revenue Service. If the sales price is significantly lower than the value used by the donor for income tax purposes, the Service might challenge the original deduction. The purpose of this requirement is to eliminate exaggerated valuations of charitable gifts,

a repeated problem prior to these requirements. Stiff penalties are imposed for overvaluing charitable gifts.

4. Percentage Limitations and the Five Year Carryover

The extent to which charitable contribution deductions may reduce a donor's taxable income in any year is limited. Gifts to Stanford qualify for the highest deduction limitation — generally, 50% or 30% of adjusted gross income, depending on the type of property given.

- **Cash.** A donor may deduct the amount of cash given, up to 50% of the donor's adjusted gross income.
- **Unappreciated (or Depreciated) Property** (stock, real estate, tangible personal property, etc.). A donor may deduct the lesser of the fair market value of the property or the donor's cost basis, up to a maximum of 50% of the donor's adjusted gross income.
- **Appreciated property which has been owned for MORE than one year.** A donor may deduct the fair market value of this type of property, up to a maximum of 30% of the donor's adjusted gross income. (In certain circumstances, a donor may elect to deduct an amount up to 50% of the donor's adjusted gross income. See page 24.) Special rules described on page 23 apply to gifts of tangible personal property such as cars or artwork, inventory and short-term capital gain property.
- **Appreciated property which has been held one year or LESS.** A donor may deduct only his or her cost basis in the property, not its fair market value, up to a maximum of 50% of the donor's adjusted gross income.

When donors make contributions of both "50% property" and "30% property," gifts subject to the 50% limitation are deducted first, up to their limit. Gifts subject to the 30% limitation are then deducted to the extent their value, when added to the 50% property deducted, does not exceed 50% of the donor's adjusted gross income.

If the value of a donor's gifts exceeds the applicable percentage limitations in the year given, the excess can be carried forward and deducted in the five succeeding tax years, for a total of six years. The same percentage limitations apply to the deduction in each of the carryover years. Once commenced, the maximum allowable carryover deduction must be used in each succeeding year, after first deducting other qualifying 50% and 30% gifts made in that year.

The carryover can be particularly useful if the donor wishes to support a Stanford program or project that requires an immediate gift larger than can be deducted in one tax year. The University can use the gift at once, and the donor may deduct the maximum allowable amount for that year and the balance over succeeding years. The carryover is also useful when making a gift, such as real property or a note, that is too large to deduct in one year, and too difficult to give in several installments.

Example B: *Betty wants to make a \$60,000 gift to Stanford to provide scholarships to undergraduates. She has an adjusted gross income of \$100,000.*

Example B-1: *Gift of cash:* *If Betty gives \$60,000 in cash to Stanford, she may deduct \$50,000 in the year of the gift and carry over the extra \$10,000 for a deduction in the next year.*

Example B-2: *Gift of appreciated property:* *If Betty gives \$60,000 in stock which she purchased many years before for \$10,000, she may deduct \$30,000 in the year of the gift and carry over the extra \$30,000 for a*

deduction in the next year.

Example B-3: Combining gifts of cash and appreciated property: *If Betty gives \$30,000 in cash and \$30,000 in securities, she may deduct the \$30,000 in cash (which comes within the 50% limitation) and \$20,000 of the stock. (The full 30% limitation would allow a complete deduction of the stock, but combined with the cash gift it cannot exceed 50% of the adjusted gross income.)*

Example B-4: Gift of depreciated property: *If Betty gives stock which she purchased for \$90,000 but is currently valued at \$60,000, her charitable deduction will be limited to \$60,000 and she can deduct \$50,000 in the year of the gift. Note: Instead of making this gift in this manner, Betty should consider selling the stock herself, realizing the loss (which she may be able to deduct against her income or gains), and give the \$60,000 cash.*

Example C: Carryover of gift of cash and securities: *Charles has an annual adjusted gross income of \$100,000. He gives Stanford \$210,000 to endow a scholarship fund—\$60,000 as a cash gift and the remaining \$150,000 in long-term appreciated securities. In the year of gift, he deducts \$50,000 (cash, deductible up to 50%) from his adjusted gross income. Fifty percent gifts are always deducted first. Charles carries forward \$160,000 (\$10,000 cash and the \$150,000 in appreciated securities).*

Assuming his income remains constant, in the first carryover year he deducts \$40,000 consisting of \$10,000 cash and \$30,000 of the securities carried forward. (The securities, because appreciated, are limited to the 30% deduction ceiling.) In each of the next four years, he will

deduct the carryover gift up to 30% of his adjusted gross income until the deduction is completed. In each of these years, he may also make charitable gifts of cash or unappreciated property worth up to \$20,000 to qualified public charities such as Stanford. These gifts will be fully deductible and will not result in any loss of deduction for the original gift. The \$210,000 gift will be fully deducted at the end of the six-year period.

When income varies during the period of the carryover, the deduction also fluctuates. In example C, if Charles' income rises to \$150,000 in the third year, he will use up \$45,000 of the carryover (30% of \$150,000) that year instead of \$30,000.

5. Reduction of Itemized Deductions for High-Income Taxpayers

The American Taxpayer Relief Act of 2012 reinstated the so-called Pease Amendment that limits tax deductions for higher income taxpayers. Taxpayers with adjusted gross income higher than a threshold amount (to be adjusted each year) are required to reduce itemized deductions (which include charitable deductions) by 3% of the amount of income in excess of the threshold. The threshold amounts in 2014 are \$254,200 for individuals, \$279,650 for heads of households, and \$305,050 for married couples.

The deduction for a charitable gift will probably not be affected by this law in most situations. In most cases, the taxpayer will have to reduce his or her total deductions by the same amount whether or not the total includes a charitable gift.

6. Giving Long-Term Capital Gain Property

It is often advantageous for donors to give long-term appreciated securities, land or other capital assets instead of giving cash or selling the assets and giving the proceeds. The donor will pay no capital gains tax on the appreciation element of the property because there is no sale. In addition, except for certain tangible personal property, the gift will qualify

for the charitable deduction at its fair market value, and it can be used to offset up to 30% of the donor's income in the year of the gift. The five-year carryover privilege is available for gifts exceeding this limitation.

***Example D: Gifts of low-cost appreciated securities:** Donna and Dennis live in California and have taxable income that subjects them to a 35% combined effective federal and state income tax rate. They decide to make a gift to Stanford using stock which they bought for \$2,000 over ten years ago but which is now worth \$20,000. Donna and Dennis may deduct the full, appreciated value of their stock as a charitable deduction, which will save about \$7,000 of federal and state income taxes. In addition, they save around \$4,140 in state and federal capital gains tax (based on a combined effective capital gains tax rate of 23%) payable had they sold the securities.*

In Donna and Dennis' tax bracket, the net cost of giving to the University \$20,000 of stock, as compared to selling the stock and making no gift, is just \$8,860 (calculated as \$20,000 value given less tax savings of \$7,000 and \$4,140) Note that if the donors wish to continue to include the stock of that particular company in their portfolio, they can buy new shares of the stock with the cash they otherwise would have used for their gift; they will have a new higher tax basis for the stock which will save capital gains tax on subsequent resale.

7. Deduction Limitation for Gifts of Ordinary Income Property

The deduction for gifts of property that, if sold, would produce ordinary income is limited to the lesser of the donor's adjusted basis or the fair market value. Such gifts qualify for the 50% limitation. This kind of property includes capital assets held for one year or less, Section 306 stock

(stock acquired in a non-taxable transaction which produces ordinary income if sold), inventory property, and certain depreciable property.

"Ordinary income property" also includes works of art created by the donor, letters written to the donor, and letters and papers prepared by or under the direction of the donor. Deductions for gifts of such property are limited to the donor's basis. For example, an artist who gives his or her own painting to the Stanford Museum can deduct only the cost (for canvas, paint, etc., to the extent not previously deducted as business expense) regardless of the market value of the painting.

8. Deduction Limitation for Gifts of Art Objects and Other Tangible Personal Property

A charitable deduction is available to donors who give tangible personal property, such as paintings, sculptures, book collections or historical manuscripts, to Stanford. A special rule applies, however, if this property has appreciated in value and has been held by the donor for more than one year.

- **If the donated property is to be retained for Stanford's educational purposes**, the donor may deduct the full, appreciated fair market value of the property, subject to the 30% limitation.
- **If the property is not itself to be used for Stanford's educational purposes** (for example, a diamond ring that will be sold to provide funds for scholarships), the donor may deduct only the cost basis of the property. However, the deduction qualifies for the 50% limitation.

If the property has not appreciated during the donor's ownership, the fair market value or cost-basis, whichever is less, of the gift (subject to the 50% limitation) may be deducted, regardless of Stanford's sale or retention of the property.

Because of tax questions regarding use of gifted property to Stanford, donors should consult University representatives before they make gifts of tangible personal property.

9. Alternative Valuation Election

A donor may elect an alternative valuation for gifts of appreciated long-term capital gain property, and thereby increase the income tax charitable deduction ceiling from 30% to 50%. The alternative valuation is obtained by subtracting the appreciation from the fair market value of the gift, thereby limiting the charitable deduction to the cost basis of the gift. A donor who elects this alternative method of valuation must use it for all gifts of appreciated property in the year the gift is made.

Any carryover resulting from earlier gifts of long-term appreciated property will also be affected if the donor did not make this election in the earlier gift year. The amount of such carryover must be redetermined as though the alternative valuation was effective in the year in which the carryover arose. The adjusted carryover, if any, is deductible up to the 50% limit in the current year. Tax returns (including the charitable deductions) for previous years are not affected; the only thing affected is the carryover to the current year.

In most situations, a donor would not elect the alternative valuation because all of the appreciation element of the gift property is lost forever as a charitable deduction. However, the election can be advantageous for certain taxpayers. It should be considered when:

- **The amount of appreciation is relatively small.** Because the election accelerates the deduction (increasing the deduction ceiling from 30% to 50% of adjusted gross income), the increase in the current year's deduction may be worth more than the appreciation portion lost.

- **The gift's value cannot be fully deducted using the 30% limitation.** If the gift is so large that the donor will not be able to fully deduct it over the carryover period, utilization of the alternative valuation election could not only accelerate the deduction but also increase the total amount of the deduction.
- **The donor's tax bracket will be much lower in subsequent years.** Even though a gift is fully deductible over the carryover period using the 30% ceiling, if the donor is in a much higher tax bracket in the gift year than in the carryover years, the accelerated deduction provided by the 50% election may result in tax savings.

If it is decided that it would be advantageous to increase the deduction ceiling from 30% to 50%, it should be noted that electing the alternative valuation is not the only way to achieve this result. It may sometimes be beneficial for the donor to sell the long-term appreciated asset and contribute the sale proceeds to Stanford. Although the sale will generate a capital gain that is taxable, the cash gift will qualify for the 50% deduction limitation.

***Example E: Alternative valuation with small capital gain:** Edward has annual adjusted gross income of \$100,000 and wishes to give Stanford securities worth \$40,000 which he purchased for \$38,000 a year ago. Under the usual 30% limitation rule for gifts of appreciated property, Edward can deduct only \$30,000 this year and must carry forward the \$10,000 balance to the next tax year. Instead, he elects to use the alternative valuation of \$38,000 for his gift (\$40,000 less all of the \$2,000 of appreciation) and deducts that entire amount this year.*

***Example F: Alternative valuation for large gift:** Frank and Francine have an adjusted gross income of*

\$100,000. In memory of Francine's father, they establish a scholarship fund that bears his name. The gift is in the form of securities purchased at \$200,000 in 1976 and now worth \$300,000. Even using the carryover, the gift cannot be fully deducted under the regular valuation rule; a deduction of \$30,000 a year will, at the end of six years, result in a total deduction of \$180,000.

Instead, they elect the alternative valuation of \$200,000 (\$300,000 less the \$100,000 capital gain) and deduct \$50,000 in each of the first four years. A \$200,000 deduction will result, which is \$20,000 more than could have been taken by using market value and deducting 30% of adjusted gross income each year.

10. Bargain Sales

In certain circumstances, a donor may make a gift by selling property to Stanford for an amount less than its fair market value. The difference between the sale price and fair market value is a charitable gift and is deductible.

If the transaction involves appreciated property, the donor must recognize a part of the sales price as capital gain and pay tax on it. The amount is computed by allocating the donor's tax basis between what has been sold and what has been contributed.

The bargain sale is a useful device when a donor wishes to give a portion of property that is not easily divisible and receive cash for the rest.

Example G: Use of the bargain sale: *George wants to give \$50,000 to The Stanford Fund. He owns a note worth \$100,000, which he bought two years ago for \$90,000. If he were to sell the note and give Stanford \$50,000 in cash from the proceeds, he would have a charitable deduction of \$50,000 and a taxable capital*

gain of \$10,000. Instead, George sells the note to Stanford for \$50,000 in cash; he has made a deductible gift of \$50,000 to Stanford and his capital gain is only \$5,000, calculated as follows:

*Ratio of selling price (\$50,000) to market value
(\$100,000) = 1/2*

<i>Selling price</i>	<i>\$50,000</i>
<i>Less: Ratio x Basis (1/2 x \$90,000)</i>	<i>-45,000</i>
<i>Taxable capital gain</i>	<i>\$ 5,000</i>

For a discussion of a bargain sale using real property, see page 31.

TABLE 1
SUMMARY OF DEDUCTIBILITY OF CHARITABLE GIFTS

TYPE OF PROPERTY	VALUE FOR DEDUCTION	PERCENTAGE LIMITATION*
Cash	Face amount	50%
Non-appreciated property	Fair market value or cost basis, whichever is less	50%
Ordinary income property**	Fair market value or cost basis, whichever is less	50%
Appreciated long-term capital assets	Fair market value	30%
Same, but alternative valuation elected	Fair market value less 100% of the appreciation (effectively limited to basis)	50%
Appreciated long-term tangible personal property:		
Use not related to Stanford's function	Fair market value less 100% of the appreciation (effectively limited to basis)	50%
Use related to Stanford's function	Fair market value	30%
Same, but alternative valuation elected	Fair market value less 100% of the appreciation (effectively limited to basis)	50%

*The percentage limitation refers to the percent of adjusted gross income ceiling on charitable deductions.

**Ordinary income property is property, gain of which on a sale would be taxed at ordinary income rates. Examples are inventory, art work created by donor, Section 306 Stock, certain depreciable property and capital assets held 12 months or less.

B. Gifts of Certain Types of Property

1. Cash

Donors may make gifts of cash to Stanford by mailing a check made payable to “The Board of Trustees of the Leland Stanford Junior University” or “Stanford University” to the following address:

Stanford University
Gift Processing Department
P.O. Box 20466
Stanford, California 94309

Any restrictions as to the use of the gift should be described in a letter accompanying the gift.

Gifts can also be made by credit card by calling (866) 543-0243 or (650) 724-0627 or on-line at <http://pgnet.stanford.edu/giving/home>

Donors who make gifts at the end of a calendar year should mail checks via the US Postal Service (rather than a private mail carrier like Federal Express) and get a postmark on or before December 31. Donors wishing to make a gift by credit card should contact Stanford several days before the end of the year to make sure the gift is processed and recorded before December 31.

2. Securities

The Internal Revenue Service defines the value of a gift of publicly traded securities as the mean of the high and low trading price of the securities on the day of the gift.

The date of the gift depends on the method of transfer. This can be crucial if the value of the security is volatile or if the donor wishes to complete the gift before the end of a year for tax purposes.

- When a certificate is sent by mail, the date of gift is the date of the postmark when the US Postal Service is used, or the date the envelope is received by Stanford when a donor uses a private delivery service like Federal Express.
- When transferred by a broker, the date of the gift is the day the stock arrives in Stanford's account. This can take several days from the time a donor notifies a broker of a desire to make a gift.
- If the donor asks the company to issue a new stock certificate, then the date of the gift is the day the company issues the certificate.

If the securities are restricted in any manner, Stanford will need to know the type of restriction and any additional information pertaining to the restriction. All donors who are considering the transfer of restricted stock should discuss the gift with the Office of Planned Giving to ensure that Stanford will be able to accept the gift and process it in accordance with their wishes.

For specific details about the actual transfer to Stanford, see the separate section labeled "Delivering Gifts of Securities to Stanford" or call the Gift Securities Team at the Stanford Management Company at (650) 721-1917.

3. Real Property

There are a number of ways to give real property to Stanford.

a. Outright Gift of a Personal Residence, Rental Property, Commercial Property or Undeveloped Land. Donors may give their entire interest in a parcel of real property to Stanford by executing and recording a deed naming Stanford as the new owner of the property. Before acceptance of the gift, a representative of Stanford must inspect the property and determine that there are no significant environmental hazards

and that the property could be sold if Stanford determines to do so after the gift is made.

Donors receive an income tax charitable deduction equal to the fair market value of the gifted property. If the property is valued at more than \$5,000, the donor must arrange for an appraisal to be conducted by an independent appraiser to substantiate the value claimed for tax purposes.

b. Outright Gift of an Undivided Partial Interest in Property. A donor may give an undivided partial interest in real property (for example, 50%) to Stanford, and the donor and the University will be co-owners until they sell the property. During this period, the donor and Stanford will be jointly responsible for maintenance expenses, and the University might ask the donor to pay all of these costs.

Issues sometimes arise in connection with the amount of the tax deduction claimed for gifts of undivided partial interests. The IRS has successfully argued that such an undivided interest is worth less than its pro rata share of the fair market value of the entire property because of the difficulty in selling partial interests. Donors are advised to find appraisers who are aware of this issue in order to avoid subjecting themselves to an IRS challenge to their deduction amount.

c. Bargain Sale. In limited circumstances, Stanford may purchase real property from its owner at a price that is less than its fair market value. The difference between the purchase price and the fair market value of the property constitutes a tax-deductible gift to Stanford.

If Stanford agrees to a bargain sale, Stanford usually will not pay more than 50% of fair market value. This approach can be suitable for a donor who desires to make a significant gift to Stanford but needs to receive cash for other purposes.

The tax rules governing bargain sales are complicated, and donors should review these rules carefully with their advisors. Although a

donor will receive an income tax charitable deduction, he or she probably will have to recognize some capital gain. See page 26.

d. Gift of Mortgaged Property. If the property is subject to a mortgage at the time of the gift, then the transaction is treated as a "bargain sale" and the donor will be subject to income tax on the same basis as if Stanford had purchased the property for an amount equal to the outstanding mortgage. It is often more beneficial for the donor to pay off the mortgage before making a gift.

***Example H: Bargain sale of mortgaged real property:** Henry owns a vacation cabin worth \$100,000. There is a mortgage on the property that is currently \$30,000. Henry's basis in the property is \$25,000. If he sells it to Stanford for \$20,000, the following will result: his deduction will be \$50,000 (\$100,000 FMV less the \$30,000 mortgage and the \$20,000 cash received from Stanford); and he must recognize gain in the amount of \$37,500 (\$50,000 benefit (cash plus mortgage) less allocated basis of \$12,500.)*

e. Gift to Establish a Charitable Remainder Unitrust. A donor who wants to make a deferred gift to Stanford and provide an income for him/herself or someone else for life and/or for a term of not more than 20 years may create a charitable remainder unitrust with a gift of real property. The donor will receive an income interest and, after the termination of the income interest, Stanford will receive the remaining assets of the unitrust.

A unitrust donor receives an income tax deduction equal to the present value of the University's "remainder interest" in the property, which will be less than the current fair market value of the property. Present value depends, in part, on the life expectancy of the income beneficiary or beneficiaries (or on the term of the unitrust if it is created for a term of years) and on the payout rate that is chosen. See page 40.

f. Gift of Remainder Interest in a Personal Residence or Farm. Donors who want to continue living in a home or on a farm may deed a remainder interest in the property to Stanford. They may use the property as they like while they are alive, living there or renting it to others. They are responsible for maintaining the property and for paying taxes and insurance premiums. At their death, the property will pass directly to Stanford.

Such donors receive a current income tax charitable deduction for the value of Stanford's remainder interest. This deduction depends on a variety of factors, including the donors' ages and the depreciable value of improvements, but it will always be less than the fair market value of the property.

Donors should be cautious as they consider a gift of a remainder interest in a home or farm if they anticipate wanting to sell the property at some time in the future. If this were to occur, the proceeds would be split (on an actuarial basis) between the donors and Stanford, and each year as the donors get older their share of the proceeds decreases. In addition, such a gift would likely preclude the donors from later taking out a home equity loan using the residence as collateral.

g. Bequest. Donors may leave real property to Stanford under their wills or revocable trust agreements. Before the University can accept title to real property from a bequest, a University representative must inspect the property and consider the same issues that arise in connection with the receipt of gifts from living donors.

4. Life Insurance

There are several ways to make gifts to Stanford using life insurance policies.

- **The donor may name Stanford as the beneficiary of any policy owned by the donor.** The donor will not receive any current tax

benefit; on death, however, the insurance benefits will be included in the donor's gross estate but they will all qualify for the estate tax charitable deduction.

- **The donor may give to Stanford a fully paid-up policy by naming Stanford as the owner of the policy.** The donor generally would receive a current income tax deduction equal to the lesser of the cost of a single premium contract of the same amount on the life of a person of the same age and sex or the donor's basis. The proceeds would not be included in the donor's gross estate and would not be subject to estate tax.
- **In very rare circumstances, a donor may give to Stanford a life insurance policy which is not yet fully paid.** If it is desired for Stanford to retain the policy, the donor will need to make additional unrestricted gifts to Stanford that are large enough to cover the cost of the future premiums if Stanford chooses to pay them. The donor will receive a current income tax deduction equal to the lesser of the interpolated linear reserve value of the policy (supplied by the insurance company) or the donor's basis. Future contributions are deductible as charitable contributions. The proceeds would not be subject to estate tax.

5. Limited Partnership Interests

In most cases Stanford University can accept interests in limited partnerships only if the interest will not generate unrelated business taxable income, will not be subject to a call for additional finances, and will not expose the University to any kind of future liability.

Before transferring a gift of a partnership interest to Stanford, a donor must provide the Office of Planned Giving with an extensive set of documents to be reviewed in light of the issues identified above. In addition, the donor should ascertain whether any income tax consequences to the donor will result from the gift.

***Example I: Gift of a limited partnership interest:** Irene owns a limited partnership interest in a partnership that owns a shopping center. The partnership is not publicly traded, but she estimates her interest is worth \$100,000. There is nonrecourse debt on the shopping center, and Irene's proportionate share of that debt is \$70,000. The partnership has fully depreciated the property and has exhausted all of the associated depreciation benefits. Irene would like to give her interest to Stanford.*

However, if she does so her income tax deduction will be limited to \$30,000, which is the amount by which the value of the interest exceeds her share of the partnership liabilities. In addition, her \$70,000 share of the debt will be treated as sale proceeds under the bargain sale rules. As a result of the depreciation previously taken, Irene's basis is quite low and will result in recognition of a significant capital gain. (If accelerated depreciation were used, then further negative tax consequences to Irene could result.)

6. Lifetime Transfers by Donors from IRAs

Through 2013, donors who were 70½ or older could make direct gifts from IRAs to charity as IRA Charitable Rollovers. As of the publication of this document, the law was not extended to 2014.

If the law is enacted again, its primary provisions may be the same as before. Donors who are 70½ or older can transfer any amount up to \$100,000 from their IRA to Stanford University or another qualified charity. This amount counts towards the donor's required minimum distribution for the year, and it is not included in the donor's taxable income.

The following requirements must be met:

- A donor must be 70½ or older at the time of the distribution.
- The transfer may be any amount up to \$100,000.
- The IRA administrator must make the distribution directly to Stanford University before December 31, 2013.
- Please note: State tax laws vary and they may not conform to this federal law.
- These distributions are not deductible as income tax charitable contributions. But the amount does not need to be included in the donor's income. Every donor should consult with a tax advisor.
- Checks may be sent by the plan administrator to:

Stanford University
 Gift Processing Department
 P.O. Box 20466
 Stanford, CA 94309

- Contact Stanford's Office of Planned Giving for more information or forms that can be used.

7. Designating Stanford as a Beneficiary of Retirement Plans

Assets remaining in an individual's Profit Sharing Plan, 401(k) Plan, Keogh Plan, IRA or other tax-deferred retirement plan may be subject to extensive taxes at the time of his or her death: (i) federal estate taxes and state death taxes, (ii) federal and state income taxes charged to recipients of distributions from the plan, and (iii) when left to individuals more than one generation younger, the generation skipping tax.

Donors who wish to make a bequest to Stanford should consider naming the University as the beneficiary of retirement plan assets on the

designation form for the retirement plan instead of making a bequest under their will. The assets passing to Stanford in this manner escape all estate and income taxes, resulting in a larger gift with less cost to the donor's estate. This designation may be made for all of the assets in a retirement plan or for a percentage of the plan.

Designation of beneficiaries of retirement plans is a complex area with important financial and tax implications. While the area was simplified by IRS pronouncements in 2001, all decisions concerning designating beneficiaries of retirement plans should be reviewed with a professional advisor before a final decision is made. The Planned Giving staff at Stanford is available to discuss alternatives with donors and their advisors.

***Example J: Use of retirement plan assets:** Joan, age 73, is a widow with one living child. She has \$900,000 in her retirement plan and \$6,000,000 of other assets. Both she and her daughter are subject to a combined effective federal and state income tax rate of 47%. In 2014, assets valued at \$5,340,000 can pass free of federal estate tax. Joan would like to make a significant gift to Stanford, in addition to passing a large part of her estate to her daughter. She should consider naming Stanford as the beneficiary of her retirement account.*

Assuming that the applicable estate tax credit amount is \$5,340,000 in the year of Joan's death, at the cost of passing \$255,130 less to her daughter, she can pass \$900,000 to Stanford. (Joan's daughter is still receiving more than \$5 million.)

TABLE 2
TESTAMENTARY OPTIONS FOR RETIREMENT PLAN ASSETS

	DAUGHTER AS SOLE BENEFICIARY	STANFORD AS BENEFICIARY OF RETIREMENT ACCOUNT
Total Gross Estate	\$6,900,000	\$6,900,000
Total Estate Tax	\$624,000	\$264,000
Income Tax on Retirement Account Assets	\$423,000	\$0
Total Taxes	\$1,047,000	\$264,000
Total Assets Passing to Daughter	\$5,853,000	\$5,700,000
Total Assets Passing to Stanford	\$0	\$900,000

EFFECT ON ASSETS IN THE RETIREMENT PLAN ONLY:

Total Adjusted Estate and Income Taxes on Plan Assets	\$370,956	\$0
Benefit to Daughter	\$529,044	
\$0		
Benefit to Stanford	\$0	\$900,000

8. Tangible Personal Property

Donors may give tangible personal property—such as book or art collections, or boats, jewels, etc.—to Stanford. See the rules about limits on the charitable deduction for such gifts on page 23.

a. Museum-Quality Art and Important Book Collections.

Stanford is grateful to receive this type of gift. Museum or Library curators are available to talk with individuals who are considering a gift for addition to Stanford's collections.

b. Automobiles. Although Stanford has accepted gifts of automobiles on a limited basis, the University cannot easily sell them.

Donors may be able to make a more effective charitable gift by giving an automobile to one of the organizations that advertise established programs to accept gifts of automobiles for resale.

c. Boats. In very limited circumstances, Stanford can accept a gift of a sailboat, a motorboat or other craft. Please contact the director of the Stanford Sailing Program for more information.

d. The Committee for Art Treasure Market. Every two years, volunteer fundraisers for Stanford's art museum, Cantor Arts Center, sponsor a popular sale of donated items, and the proceeds are used to acquire art for the museum. The Committee accepts gifts of quality art, housewares, furniture, jewelry, books, etc. throughout the year. Donors may deduct the lesser of their cost basis or the fair market value of the donated items. Any asset worth more than \$5,000 must be independently appraised for tax deduction purposes. See page 17 for a discussion of the appraisal rules. For more information about the Treasure Market, call (650) 326-4533.

e. Self-Created Art Work. An artist who contributes his or her own work—or work created by a spouse—to a charity may not deduct the fair market value of the piece. The charitable deduction is limited to the cost of materials used to produce the art.

C. Life Income Gifts

Life income gifts are an old and honored form of support at Stanford since the University received its first such gift in 1928. The University currently is the remainder beneficiary of hundreds of trusts, pooled income fund gifts and charitable gift annuities. More than 750 beneficiaries annually receive distributions from these trusts.

In each of these situations, a donor transfers property to Stanford or other trustee, with an income to be paid to the donor and/or another designated beneficiary for life and/or for a term of not more than 20 years. In some situations, a term of not more than 20 years would be possible. On

the death of the income beneficiary or the expiration of the term, the balance of the gift is released to Stanford to be used for the educational purpose designated by the donor.

1. Types of Life Income Gifts

Four types of life income arrangements are possible:

a. Charitable Remainder Unitrust. A unitrust may be established by transferring assets irrevocably to Stanford, a bank or an individual to hold as trustee. The income paid to the beneficiary will vary each year and depends on the type of unitrust created:

- A "**percentage**" unitrust pays the income beneficiary a fixed percentage of the trust's annual value. The donor sets the payout percentage in the trust document; for the gift to qualify under federal tax law the payout percentage must be at least 5% and no more than 50%.

In years when the trust assets appreciate, the distribution will increase; when asset values decline, distributions are lower. For example, if a donor creates a 5% unitrust with stock worth \$500,000, in the first year she would receive \$25,000. However, if the value of the trust assets grows during the year to \$525,000, the distribution for Year 2 would be increased to \$26,250 (5% of \$525,000).

- A "**net income**" unitrust pays to the beneficiary a fixed percentage of the trust's annual value (the amount described above) or the actual net income earned by the trust during the year, whichever is less. If the fund income is lower than the fixed percentage for one or more years and is higher in a later year, a provision may be included to provide that the excess income may be paid to the beneficiary at the latter time up to the amount of the past deficiencies.

- A "**flip**" trust begins as a net income unitrust and flips to a percentage unitrust at a pre-determined time (for example, when the trustee sells the initial trust property or when the income beneficiary reaches a certain age). This allows a donor to give real estate or other illiquid assets to the unitrust and then to flip the trust, once the assets have been sold, to a percentage unitrust that may be able to pay out more income over time. Because percentage unitrusts can be invested for total return, they are sometimes able to grow more substantially and produce more income for the income beneficiaries than net income trusts.

If either a percentage or net income unitrust earns more than it is required to distribute in any year, the excess is added to the principal of the trust. Payments usually are made quarterly.

b. Charitable Remainder Annuity Trust. An annuity trust is similar to a unitrust in most respects, except that the donor will receive a fixed dollar amount that does not fluctuate with the annual value of the trust. The donor sets the amount, which must be at least 5% and no more than 50% of the value of the property at the time it is transferred into trust. Payments continue in the same amount unless the entire trust is exhausted, in which case payments would cease. The selection of the annuity amount cannot be so large as to create a probability greater than 5% that the trust assets will be exhausted before the trust terminates.

For example, if a donor created a 5% annuity trust with stock worth \$500,000, each year she would receive \$25,000. This distribution will not change over time and, if the trust assets do not produce enough income to make the payment, she would receive a portion of the principal.

c. Pooled Income Funds. Gifts contributed to any of the pooled income funds at Stanford are commingled and invested in a manner similar to a mutual fund. Participants in the pool receive a proportionate share of the annual net income. There is no guaranteed payout rate from the funds, but the two pools do have different investment strategies.

- **The "Balanced Pooled Income Fund"** seeks reasonable current income for the beneficiaries, protection of principal, and an opportunity for long-term growth of both principal and income.
- **The "Long-Term Income Fund"** seeks as high a rate of current income as is consistent with maintaining prospects for only minimal long-term growth of principal.

d. Charitable Gift Annuities. A gift annuity is a simple contract by which Stanford University, in exchange for a gift of money or property, promises to pay a fixed amount each year to one or two designated beneficiaries for life. Such payments become a general obligation of Stanford University.

Gift annuity contracts can be thought of as consisting of two parts: a current tax-deductible gift to Stanford University, and the purchase of the right to receive a fixed dollar amount of income each year for the life of one or two beneficiaries. The amount of the annuity distributed will depend upon the beneficiary's age at the time of the gift and the value of the property donated.

Depending upon the kind of property used to fund the gift annuity, a significant portion of the annual payments may be entirely tax-free.

A deferred gift annuity, which provides for a delayed start-date for the income payments, may be an excellent way to plan for definite retirement income. In addition to the benefits described above, a donor could receive a larger income tax charitable deduction in the year of the transfer.

Charitable gift annuities are regulated by the state in which the annuitant lives. There are some states where Stanford cannot currently offer charitable gift annuities. If you have questions, please contact the Office of Planned Giving at (650) 725-4358.

2. Three Tax Benefits

a. Avoidance of Capital Gains Tax. Owners of appreciated property must pay federal capital gains tax on the appreciation portion of any property they sell. This gain is also subject to tax under the law of many states.

Charitable remainder annuity trusts and unitrusts, however, are tax-exempt. As a result, if the trustee sells the property there will be no tax on the capital gain. The full fair market value of the gifted property, minus the costs of sale, will be invested to produce an income for the beneficiary.

Gifts to the pooled income funds do not generate tax on the long-term capital gain, either. However, short-term capital gains are taxable to pooled income fund, so it is important that short-term capital gain property not be included in gifts to these funds.

When gifts of appreciated property are made to establish a charitable gift annuity, there may be complicated tax consequences to the donor. Such a gift is treated as a bargain sale for tax purposes, with the result that a portion of the gain is taxable to the donor. However, if the donor is also the annuitant (and if there is no more than one other or successor annuitant), then the gain will be recognized ratably over the donor's life expectancy, as the annuity is paid out. If the donor is not the annuitant then the gain must be fully recognized in the year that the gift is made.

***Example K:** Kevin, currently age 75, makes a gift of appreciated securities worth \$100,000 to establish a 5.8% charitable gift annuity in January 2014, naming*

himself as the annuitant. His basis in the stock is \$50,000. The taxability of the annuity will be as follows: total reportable capital gain of \$27,486 must be reported in equal installments of \$2,216 over 12.4 years, Kevin's expected lifetime. This means that, of the total \$5,800 annuity, \$2,216 will be taxed at the capital gains rate, \$2,216 will be tax-free return of capital, and the remaining \$1,368 will be taxed as ordinary income. After 12.4 years, the entire \$5,800 annuity will become ordinary income.

b. A Current Income Tax Deduction. In the year of the gift, the donor will receive an income tax charitable deduction equal to the present value of Stanford's "remainder interest" in the gifted property. The older the beneficiary or beneficiaries and the lower the payout rate, the larger will be the charitable deduction. If the donor provides for more than one income beneficiary, the charitable deduction usually will be significantly smaller.

The following chart provides information about the charitable deduction available when income beneficiaries are at certain ages. Because several assumptions used in the calculation change each month, the numbers in this chart are only approximations. The Office of Planned Giving at Stanford can calculate the value of remainder interests in any life income gift under consideration for you.

TABLE 3
CHARITABLE DEDUCTION FOR GIFT OF \$500,000 TO A UNITRUST
(BASED ON THE JANUARY 2014 IRS DISCOUNT RATE OF 2.2%)

AGE OF BENEFICIARY(IES)	5% UNITRUST	6% UNITRUST	7% UNITRUST
55	\$159,440	\$130,880	\$108,610
55, 55	\$110,155	\$82,560	\$62,240
65	\$224,475	\$194,855	\$170,195
65, 65	\$168,815	\$137,285	\$112,080
75	\$300,715	\$274,210	\$250,805
75, 75	\$246,050	\$214,895	\$188,105

TABLE 4
CHARITABLE DEDUCTION FOR A \$500,000 CHARITABLE GIFT ANNUITY
(BASED ON THE JANUARY 2014 IRS DISCOUNT RATE OF 2.2%)

AGE OF BENEFICIARY(IES)	ANNUITY RATE	CHARITABLE DEDUCTION
70	5.1%	\$200,085
70, 70	4.6%	\$154,995
80	6.8%	\$248,255
80, 80	5.7%	\$216,435
90	9.0%	\$313,455
90, 90	8.2%	\$261,590

Like other gifts, the maximum charitable income tax deduction that can be used in the year of the gift is limited to 30% of the donor's adjusted gross income if the gift is appreciated property, and 50% of the donor's adjusted gross income if the gift is cash. Donors who cannot use

all of the deduction in the first year may carry forward the excess for an additional five years.

c. Estate Tax Savings. Assuming a decedent had made no taxable gifts while alive, if the value of an estate exceeds a minimum amount, it may, depending on the year in which the decedent dies, be subject to federal estate tax.

When a testamentary life income gift is established through a decedent's estate plan, the decedent's estate receives a charitable estate tax deduction equal to the present value of the remainder interest, as calculated under federal tax law.

The estate tax rate was 35% for all taxable assets above \$5,000,000 in 2011 and \$5,120,000 in 2012. In 2013, the rate was 40% for all taxable assets above \$5,250,000. For decedents dying in 2014, the estate tax rate is 40% for taxable assets above \$5,340,000.

Assets donated to charity during lifetime would not be a part of a donor's estate and thus are not subject to this tax. Some states have additional inheritance or estate taxes of their own.

3. Stanford as Trustee

a. Trustee Fees. When Stanford serves as the trustee of a unitrust or an annuity trust, the University does not charge any trustee's fee. The University does, however, have a policy to make a charge against the principal of each trust of up to 0.3% of the annual trust value to offset a portion of the administration and investment management costs of the trust. By charging the fee to principal, it will have a minimal effect on payments to the income beneficiaries.

b. Drafting Documents. Planned Giving Officers in Stanford's Office of Planned Giving will be pleased to prepare drafts of life income gift agreements after discussing the relevant issues with individual

donors and/or their advisors. These documents should be reviewed by the donors' own independent attorneys and/or tax advisors.

4. Other Issues

a. Who May Be the Income Beneficiary? Donors may name themselves or other individuals as income beneficiaries. However, there may be gift or estate tax consequences if the beneficiary is someone other than the donor or the donor's spouse. Please note, however, that if the donor's spouse is a non-U.S. citizen, special rules apply. A full discussion of this important issue is beyond the scope of this brochure, but the Office of Planned Giving is available to help analyze such consequences with donors and their advisors.

b. Term of Years. As an alternative to a trust which ends at the death of the income beneficiary, a donor may establish a charitable remainder annuity trust or unitrust for a term of years not to exceed 20 or for some combination of lives and a term of years.

c. Additional Gifts. The donor may make additional gifts to a unitrust or to the pooled income fund at any time. No additions may be made to an annuity trust or to a gift annuity; a separate annuity trust or gift annuity must be established for each new gift.

d. Payout Rates for Unitrusts. The choice of unitrust payout rate can dramatically affect both the value of Stanford's eventual remainder interest and the pattern of the beneficiary's income over time. A common misconception is that, as the payout rate increases, the benefit to the donor increases significantly. While this is true for annuity trusts (where the payout amount is fixed in dollars), usually for unitrust donors over the age of 75, increasing the payout rate may provide modest or little additional benefit over the lifetime of a unitrust to younger beneficiaries.

With unitrusts, the income to the beneficiary is dependent on the market value of the trust. Higher payout rates reduce the growth of the portfolio over time and hence the income paid out. A lower payout rate

means lower payments in earlier years of a trust and higher payments in future years. Several factors, including the term of the trust and projected investment performance, enter into the analysis of which payout rate best meets a donor's objectives.

e. Remainder Value. In selecting the term and payout rate of a charitable remainder trust, the donor must consider the statutory requirement that the remainder value equals at least 10% of the value of the assets contributed to the trust.

5. Examples

Note: These examples assume gifts are made in January 2014 and use the IRS discount rate of 2.2%.

Example L: Charitable Remainder Annuity Trust.

Louise, age 80, owns securities worth \$500,000, which she bought several years ago for \$300,000 and which pay a total cash dividend of \$10,000. She would like a greater current return but has hesitated to sell because of the large capital gains tax that would be payable.

By transferring her shares to a 6% charitable remainder annuity trust at Stanford, she increases her income to \$30,000 annually and does not owe any federal capital gains tax if Stanford should subsequently sell the securities. In addition, she receives a charitable contribution deduction of about \$278,730.

Example M: Charitable Remainder Percentage

Unitrust. *Maria, age 65, is in the 35% and 23% combined effective federal and state income tax brackets for ordinary income and long-term capital gains, respectively. She owns stock with a current market value of \$500,000 which she bought some years ago for*

\$100,000. Maria would like to sell the stock, but if she does, she will have to pay capital gains tax of \$92,000.

By transferring the stock to a 5% charitable remainder unitrust at Stanford, she is assured of an income of 5% of the annual value of the reinvested sale proceeds for her lifetime. In addition, she receives a charitable contribution deduction of about \$224,475, which saves her over \$78,566 of income tax and avoids the capital gains tax at the time of sale. Table 5 compares two of Maria's options: a traditional sale of stock versus establishing a charitable remainder trust.

TABLE 5 **
COMPARING THE BENEFITS OF SELLING STOCK OR
DONATING STOCK TO A CHARITABLE REMAINDER UNITRUST

	NO TRUST CREATED	5% UNITRUST CREATED
Value of Stock	\$ 500,000	\$ 500,000
Capital Gain Tax	\$ 92,000	0
Net to Reinvest after Sale	\$ 408,000	\$ 500,000
Charitable Deduction	\$0	\$ 224,475
Income - First Year ⁱ	\$ 8,160	\$ 10,000
Total Income ⁱⁱ	\$ 219,262	\$ 268,704
Remainder ⁱⁱⁱ	\$ 736,893	\$ 903,056
	(to Louise)	(to Stanford)
TOTAL BENEFIT from Sale/Gift	\$956,155	\$1,171,760

Example N: Flip Charitable Remainder Unitrust. Nick and Nancy, both age 50, are in the 35% and 23% combined effective federal and state income tax brackets

ⁱ Income is defined to be 2%

ⁱⁱ Assumes 5% total growth with Income defined as 2%

ⁱⁱⁱ Based on life expectancy of 20 years and assumption of 5% total growth

for ordinary income and long-term capital gains, respectively. They own appreciated real property worth \$600,000, for which they paid \$300,000 many years ago, and which they would like to sell. To do so would incur capital gains tax of approximately \$69,000. They would like to establish a charitable remainder unitrust, but with a percentage unitrust the trust must begin paying income immediately. Since the trust will not have cash to make the payments until the property sells, they create a flip charitable remainder trust.

They decide to transfer the real property to a 5% flip trust. The trust will be a net income trust during the period in which the trust owns the real property. Because the real property is not generating any income, the trustee will make no distributions to them as beneficiaries until after the trustee sells the property. The trust provides that on January 1 of the year following the sale of the real property, the trust will become a percentage unitrust. Thereafter, the beneficiaries will receive the stated percentage multiplied by the fair market value of the trust revalued each year.

Their charitable contribution deduction of about \$105,180 gives them an immediate income tax savings of roughly \$36,813, and they avoid the \$69,000 capital gains tax which would have been due if they sold the property.

Example O: Pooled Income Fund. *Oliver, age 65, and in the 35% and 23% combined federal and state income tax brackets for ordinary income and long-term capital gains, respectively, has stocks worth \$100,000, which he bought for \$10,000, and which pay a dividend of 1.5% per year. He would like to sell the stocks and diversify*

his investment base but hesitates because of the capital gains tax of \$20,700 that would be payable.

Suppose Stanford's Balanced Pooled Income Fund earns 4% (the actual annual return varies; the current rate will be furnished upon request).

By transferring the stocks to Stanford's Balanced Pooled Income Fund, Nicholas more than doubles his annual earnings and gains his objective of a wider investment base. In addition, he receives a charitable contribution deduction of about \$60,000 saving roughly \$21,000 in income tax, and avoiding about \$20,700 in capital gains taxes at the time his stocks are sold.

Example P: Charitable Gift Annuity. Penny, age 83, makes a cash gift this year of \$100,000 to Stanford University in exchange for a gift annuity. Penny will receive annual payments of \$7,400 from Stanford for the rest of her life. She is entitled to a charitable gift contribution deduction, for current income tax purposes, of about \$53,000. Assuming Penny is in the 35% state and federal income tax bracket for ordinary income and can use up the entire deduction, it will save her about \$18,550 in income taxes, making the net cost of her gift approximately \$81,450.

Of the \$7,400 she receives each year, only \$1,428 will be taxed at ordinary income rates, and \$5,972 will be received tax-free each year over her life expectancy. For a donor like Penny, in the 35% ordinary income tax bracket, the after-tax return of \$6,900 on \$100,000 is equivalent to a taxable return of about 10.6%. This one-life annuity terminates on Penny's death and is not subject to probate or estate administration. She will receive her lifetime payments without worry and bother of investment or management problems.

Example Q: Deferred Charitable Gift Annuity. Quentin, age 55, makes a cash gift this year of \$100,000 to Stanford in return for the University's agreement to pay \$6,400 to him annually beginning when he retires at 65. His current income tax deduction will be roughly \$34,000. Because he is in the 35% tax bracket, his current tax savings will be about \$11,900. When he begins to receive the annuity, \$3,296 will be tax-free income.

D. Charitable Lead Trusts

It may be advantageous for a donor to create a trust with an income interest payable to Stanford for a term of years. The donor may direct that the trust property be returned to the donor or distributed to another person at the end of the trust period.

This method is particularly suitable if the donor:

- wants to give to Stanford more than the donor can currently deduct;
- will have unusually high income in one year, and much lower income for a period thereafter;
- is willing to part with income-producing property for a time, but wants the property to revert to the donor or the donor's family; or
- can afford to dispense with part of current income and wants to make gifts to his or her children or others in a way that can save gift and estate taxes.

Typically, charitable lead trusts are more attractive when the IRS discount rate, which can change monthly, is low. There are several varieties

of charitable lead trusts, each type achieving different tax objectives for the donor.

1. Traditional Lead Trust, Assets Returned to Donor's Family

Donors may convey property irrevocably to a trustee, such as a bank or Stanford, and provide that (i) an income interest be paid to Stanford during the term of the trust and (ii) at the end of that term, the trust property be paid to family members other than the donor and donor's spouse. The payments to Stanford must be made annually or more frequently and must be either a fixed percentage of the fair market value of the trust property determined annually (charitable lead unitrust) or a specified dollar amount (charitable lead annuity trust). Any income in excess of the payments to Stanford remains in the trust and is taxed to the trust in the year earned.

The use of appreciated property in funding the trust does not incur capital gains tax. However, any undistributed capital gain on a subsequent sale of such property by the trustee is taxable to the trust in the year of the sale.

While the donor receives no immediate income tax deduction for the gift to Stanford, there are still significant tax benefits to this kind of trust. This type of lead trust can be particularly useful for donors who make charitable contributions exceeding the percentage limitations. Because the payments to Stanford are excluded from taxable income rather than deducted from it, the donors may obtain a deduction otherwise unavailable. In effect, this device enables donors to give any amount to charity, without considering the 30% or 50% deduction ceilings.

This type of trust can also be particularly useful for persons with large estates. By synchronizing the lead trust's term of years with the specified annuity amount to be paid to Stanford during the trust term, it is possible for the donor to transfer property to loved ones and incur little transfer tax. Moreover, if the trust property appreciates substantially in value during the term of the trust, that appreciation is not subject to gift or estate tax.

***Example R: Charitable Lead Trust:** Richard is in high income, gift and estate tax brackets, and he has used none of his unified gift and estate tax credit for lifetime gifts. He would like to make a substantial income gift to Stanford using assets that will eventually be given to his children. If he makes an outright gift now to his children he will incur substantial gift tax. If he defers making his gift and the assets meanwhile appreciate in value, as he expects they will, the eventual gift tax (or estate tax, if given by will) could be even higher because the tax will be based upon the appreciated value of the assets at the time of the gift.*

Instead of giving the assets directly to his children, Richard funds a charitable lead annuity trust with suitable assets (usually assets that have a high likelihood of significant appreciation) currently valued at \$1.5 million. The trust agreement provides for a term of twenty years and a 6% annual annuity payment to Stanford. Thus, each year for the next 20 years, Stanford will receive \$90,000 from the trust, for a total of \$1,800,000.

At the end of 20 years the trust will terminate and all of the assets in the trust will be distributed to the children. If the total return (income and appreciation) on the trust assets during the trust term exceed the payments to Stanford, the children will receive assets worth more than the original \$1.5 million value of the trust.

The tax consequences of Richard's lead trust gift are as follows:

- **Income tax** - Richard receives no income tax charitable deduction for this type of lead trust but he does remove otherwise taxable income from his income stream because he is not taxed on the income from the trust assets. The effect is analogous to the donor receiving

an income tax charitable deduction of \$112,500 each year for the annual payment to Stanford without any limitations.

- **Gift Tax** – Assuming this gift were made at a time when the IRS discount rate was as low as 1.2%, Richard receives a gift tax charitable deduction in the full amount of amount of \$1,500,000 leaving no taxable value of his gift to his children. Any appreciation in the assets in the trust will pass free of tax to the children upon termination of the trust.

- **Estate tax** - The lead trust gift takes the transferred assets out of Richard's estate, eliminating probate fees and death taxes on those assets.

Notes:

- Until 1997 when the rules were repealed, termination of a charitable lead trust could result in the income tax "throwback" rules applying to any accumulated trust income in excess of the amount that was required to make the annual payments to Stanford.
- As is the case for any gift made during a donor's lifetime, the children will not receive a stepped-up tax basis for the trust assets distributed to them. Richard's tax basis in the gift assets is transferred to the trust and the trust's basis, in turn, is transferred to the children.
- If Richard's grandchildren, instead of his children, received the trust assets at the termination of the trust, there would be generation-skipping transfer tax consequences.
- If the discount rate increases in the future, it will still be possible to minimize or eliminate the "value" of the gift to the children by changing the annuity rate or the length of the trust term.

2. "Grantor" Lead Trust, Assets Returned to Donor

If a qualified charitable lead trust is created for a term of years with the trust assets to be returned to the donors when the trust ends (i.e. a grantor trust), the donors will obtain an immediate income tax charitable deduction for the computed present value of Stanford's income interest. If the trust is funded with appreciated assets, the deduction is limited to 30% of adjusted gross income; any excess deduction over the 30% limit can be carried over to each of the next five years. The trust income is taxable to the donors in the year earned.

To qualify for the income tax deduction:

- the trust instrument must provide that payments to Stanford are made not less often than annually and are either a fixed percentage of the fair market value of the trust property, determined annually, or a specified dollar amount; and
- the donors must be treated as the owner of the income interest and the trust income must be taxable to the donor. One way to ensure this is to provide that the trust property will return to the donors upon termination of the trust.

3. Testamentary Charitable Lead Trust

A charitable lead trust can be used to make a charitable bequest of an income interest in property, with the trust property passing to the donor's heirs after a period of years. This is advantageous for the donor who wishes to benefit Stanford and family members, with the latter not receiving the assets until some period after the donor's death.

The estate receives a charitable deduction for the value of Stanford's income interest, decreasing the estate tax and thus the liquidity needs of the estate. As with the lifetime charitable lead trusts discussed above, the testamentary charitable lead trust must provide that payments to Stanford

are made at least annually and are either a specified dollar amount or a fixed percentage of the fair market value of the trust property, determined annually.

At the end of the trust term, the donor's heirs will receive all of the trust property, the value of which at that time may be substantially in excess of the value at which it was included in the donor's estate if the trust assets appreciate after the donor's death.

E. Donor Advised Funds at Stanford

A donor may establish a Donor Advised Fund at Stanford with a minimum gift of \$1 million if he or she is not ready to make a final decision about how the gift will be used. The donor will receive a current income tax deduction for the full value of the gift transferred to Stanford.

Over time, the donor may make recommendations to Stanford about distributions from the fund, and up to 50% of the distributions may be made to other charities. For gifts of \$10 million or more, 60% of the distributions may be made to other charities, and for gifts of \$20 million or more, 70% of the distributions may be made to other charities.

The fund will be invested in the Stanford endowment or a money market pool, after consultation with the donor. To date, Stanford has not charged a fee for managing and investing its donor advised funds, but it reserves the right to charge up to .05% annually to cover administrative costs.

F. Gifts from Foreign Alumni and Friends

In general, donors who are citizens and residents of countries other than the United States cannot receive tax benefits for gifts made directly to Stanford because most countries disallow tax benefits for gifts to foreign charities. However, special rules apply to citizens of the following countries:

- **Canada.** Canadian taxpayers may claim a tax credit for gifts to Stanford, which is listed on Schedule VIII of the Canadian Income Tax Act under “Leland Stanford Junior University (Stanford University), Stanford, California.”

- **Hong Kong.** Donors may make gifts to the Hong Kong Stanford University Charitable Trust, a government-recognized charitable trust.

- **Mexico.** Donations to Stanford (and other charities listed in IRS Publication 78) should be deductible by Mexican citizens.

- **Taiwan.** The Friends of Stanford University Foundation is a Taipei-based foundation established to accept charitable gifts to the Dr. Li Kwoh Ting Professorships Project at Stanford. Other charitable gifts to Stanford from Taiwan may qualify for tax-deductible status through this foundation.

- **The United Kingdom.** The Stanford Trust is a charity (#1022726) registered with the U. K. Charity Commission. Through the Trust, a donor may participate in the U. K. Gift Aid Scheme, which allows the Trust to apply to the Inland Revenue Service to claim a portion of the tax already paid by the donor. Those paying tax at a rate higher than the basic tax rate should apply to the Inland Revenue for additional tax relief.

- **Other Countries in the European Union.** The law is developing in ways that will allow citizens of E. U. countries to receive tax benefits in their own country when they make a gift to the Stanford Trust in the U. K.

To get more information about these arrangements, please contact the Planned Giving Office at Stanford at (650) 725-4358.

G. Bequests and Gifts from Trusts

Bequests to Stanford University, whatever the amount, are entirely free from estate and other death taxes. The tax savings can be substantial. A friend of the University may bequeath any type of property he or she could have given while living. The gift may be in the form of a specific asset or dollar amount; Stanford has also received all or a part of the residue of many estates. Suggested language for bequests can be found in the separate section labeled “Sample Forms for Bequests and Lifetime Gifts.”

A testamentary unitrust, annuity trust, pooled income fund, or charitable gift annuity bequest may have special appeal for the philanthropically minded donor who is unable or disinclined to make such life income gifts while alive and who cannot make a sizable outright testamentary gift to charity because of wishes to provide for one or more family members. Such bequests allow a donor to make a deferred gift to Stanford while ensuring that the individual beneficiaries receive periodic payments for life. The bequest may also result in valuable tax and other estate planning benefits.

The Planned Giving Office is available to provide drafts of customized language which will set forth a donor's intentions for the University. If he or she intends to place any form of restriction on the bequest being left to Stanford, a call to the Planned Giving Office is encouraged to verify that the provision is drafted properly and to ensure that Stanford can use the bequest in the way intended by the donor.

H. The Founding Grant Society

Stanford is fortunate to be included as a beneficiary of many estate plans. The University likes to acknowledge the thoughtful intentions of those individuals who make a provision for Stanford in their estate plans by including them as members of The Founding Grant Society. This

organization is strictly honorary in nature and involves no dues, obligations or solicitations.

If individuals name Stanford as a testamentary beneficiary of their estate or make a deferred gift benefiting the University, Stanford appreciates receiving a copy of the portion of the will or trust that pertains to Stanford. Not only will this make clear that an invitation to The Founding Grant Society is appropriate, it also will allow Stanford's planned giving staff to make sure the provision expresses an appropriate use for the gift funds that will implement the intent of the testator in the years ahead. Providing a copy will of course place no limits on a testator's ability to make future changes or remove Stanford as a beneficiary altogether. In the alternative, if a donor is reluctant to share part of his or her will or trust, a simple verbal or written confirmation that Stanford will receive a non-contingent bequest at his or her death will be sufficient in order to be included as a member of The Founding Grant Society.

As of January 1, 2014, there were about 3,100 members of the Founding Grant Society. If you or your client qualifies for membership, please call Stanford's Office of Gift Planning at (650) 725-4358.

I. Designating the Use of Gifts to Stanford

Gifts and bequests to Stanford can be designated for specific purposes (e.g., scholarships, faculty support) or for unrestricted purposes. Donors may also specify whether their gifts are fully expendable or are intended to create an endowed fund for permanent support. Form language for preparing expendable or endowed, restricted or unrestricted gifts and bequests are found in the separate section labeled "Sample Forms for Bequests and Lifetime Gifts" on page 67.

1. Designation of Purpose

Gifts and bequests that are unrestricted as to purpose provide the Board of Trustees, President and Provost the opportunity to decide how best to use the gift or bequest funds. The University is always in need of

unrestricted funds to meet current needs and to plan for the future. Restricting the use of a gift or bequest to a specific purpose, such as scholarships or faculty support, is also common. To make sure that a gift or bequest for a designated purpose will be useful to Stanford both now and in the future (particularly with respect to gifts for endowment) and that it is drafted appropriately in light of Stanford's policies and practices, donors and their advisers are encouraged to contact Stanford's Office of Planned Giving to discuss a desired restriction.

Due to the possibility of future changes in conditions and circumstances that might affect the usefulness of a permanent fund designed for a particular purpose, donors of endowed funds are encouraged to identify alternative uses for an endowed fund in the event such changed circumstances occur. If a fund purpose is no longer appropriate and no alternative use is specified, California's Uniform Prudent Management of Institutional Funds Act (California Probate Code Section 18500 et seq.) does allow the University to use the funds for other purposes, but only if the donor consents to the alternative use or, if the donor is not available because of death or some other reason, the local Probate Court finds the restricted purpose is obsolete or impracticable. Since endowed funds survive their donors and Stanford would prefer to save the time and cost of petitioning the court in the event of changed circumstances, alternative use language is highly desirable.

With the possibility of changed circumstances in mind, Stanford suggests including the following language in gift documents establishing endowed funds:

If, in the judgment of the Board of Trustees, changed circumstances should at some future time render the designated use of this fund no longer appropriate, then the Board shall use distributions from the Fund to further the objects and purposes of Stanford University, giving consideration to the donor's special interest as evidenced by the purpose described above.

The University does not require inclusion of this language, but it does suggest that at least some identification of broad alternative uses (e.g., student aid or faculty support) of an endowed fund be included to facilitate the use of a fund in the event a change in conditions or circumstances occurs.

2. Expendable Gifts and Bequests

Gifts under \$100,000 are generally most helpful to the University or one of its Schools if they are fully expendable, although gifts to be added to the general endowment fund for a school, for scholarships or for purchasing library books and materials are also helpful. Expendable funds give the Provost or Dean the flexibility to use the full amount of the gift to meet current needs, spread the use over a number of years, or add it to the University's endowment to help meet Stanford's long-term needs.

3. Endowed Gifts and Bequests

Stanford is fortunate to receive many gifts that are intended to provide a permanent source of support for a particular purpose important to the donor and to Stanford. These endowed gift funds, which now number over 7,000, provide significant ongoing support to enable the University to accomplish its objectives of teaching and research.

Stanford invests its endowment for the long term and, consistent with the recent adoption of the Uniform Prudent Management of Institutional Funds Act (California Probate Code Section 18500 et seq.), Stanford's Board of Trustees sets a payout rate from the endowment each year. In recent years, the target payout rate has been close to 5.5%, which means that amount of each fund is available annually to be spent for its designated purpose. The payout consists of income (interest and dividends), capital gain appreciation above the initial gift value, and, in some cases, a portion of the initial gift, if necessary. Any earnings above the payout rate are accumulated in the fund.

Stanford's aim in managing endowment payout is to maintain the purchasing power of its endowment funds. The endowment payout policy was instituted in 1974, following California's enactment of the Uniform Management of Institutional Funds Act. Up to that time Stanford, like most other universities, had spent all income earned by its endowment, which meant the investments of the University needed to produce a reasonable amount of dividends, interest, and rents. Now the endowment may be invested with the best overall return as its goal.

In times of high inflation, unless some of the earnings were invested back into the endowment, its purchasing power would be eroded. In times of low interest rates this approach allows a significant portion of investments to remain in equities with high growth potential, instead of having to switch to fixed income sources to generate sufficient interest income. Since the practice began, Stanford endowment funds have shown steady growth and have outpaced inflation. Distributions from these donor funds, in consequence, have grown to match and offset inflation, keeping the level of support even with current costs.

Stanford has established minimum gift requirements for each type of endowment fund so that the annual payout will adequately support the purpose for which the fund was established. Some examples of the types of endowed funds most frequently established by donors are as follows:

\$4,000,000	Endowed Professorship
\$250,000	Named Endowed Financial Aid Fund from which distributions are made to specific individuals
\$100,000	General Endowed Financial Aid Fund
\$25,000	Endowed Book Fund

These minimum gift requirements are effective as of January 1, 2012. Donors and/or their advisors are encouraged to check with the Office of

Planned Giving to confirm current minimum gift requirements if they are contemplating establishing an endowed fund at Stanford. In addition, university matching funds are sometimes available to count toward the minimum funding requirement for a specific fund.

J. Gifts from Corporations and Foundations

1. The Corporate Income Tax Charitable Deduction

A corporation may deduct the value of charitable contributions up to 10% of its taxable income in any tax year. Any excess may be carried forward into the five succeeding tax years, with the total deduction in each tax year limited to 10% of taxable income. If the gift is properly within the corporate purposes, a corporation can usually make a gift to Stanford more economically than its shareholders can, because of the savings in corporate income tax.

Accordingly, a corporation's gift to Stanford can be significantly larger than the amount the corporation shareholders could give from the company's dividends at the same after-tax cost. For corporations taxed at less than 35% the savings will be less, but a direct gift from a corporation with any taxable income should cost less than the same gift made out of the corporation's dividends.

***Example N:** The corporation gift. Table 5 that follows compares (1) the amount available for a \$20,000 direct gift to Stanford out of corporate earnings with (2) the amount available if the gift is made by the shareholders out of their dividends, assuming the corporation is in the 35% income tax bracket:*

TABLE 5
THE CORPORATION GIFT

	GIFT DIRECTLY FROM THE CORPORATION	GIFT FROM SHAREHOLDERS OUT OF DIVIDENDS
Earnings available for gift	\$20,000	\$20,000
Corporate tax (on \$20,000)	\$0	\$7,000
Amount available for gift	\$20,000	\$13,000

2. Special Deduction for Corporate Gifts of Inventory for Scientific Research

Subject to the percentage limitation, corporation gifts of cash or capital gain property may be deducted at fair market value. The deduction of gifts of ordinary income property, such as inventory, is usually limited to the corporation's basis. However, a special rule applies to corporate gifts of scientific inventory property used for research if the following requirements are met:

- (1) The property contributed was constructed by the corporation;
- (2) The gift was made within two years of construction;
- (3) Stanford is the original user of the property;
- (4) The property's scientific equipment or apparatus is to be used for research, experimentation or research training in the United States in the physical or biological sciences;
- (5) Stanford may not exchange the property for money, other property or services; and

(6) Stanford furnishes to the corporation a written statement that the University will hold and use the property in accordance with requirements 4 and 5 above.

The allowable deduction for gifts of such property is the sum of the corporation's tax basis in the property plus one-half of the unrealized appreciation, provided that the deduction may not exceed twice the tax basis. The same deduction amount is also allowed for corporate inventory gifts to be used for the care of children, the ill or the needy.

Note that these favorable rules do not apply to Subchapter S Corporations.

3. Foundations

Stanford qualifies as a foundation distributee for all purposes, including distributions required from private foundations. Several foundations have chosen Stanford as a donee to which foundation assets are distributed in accordance with the special rules on tax-free termination of private foundation status.



**SAMPLE FORMS FOR
BEQUESTS AND OUTRIGHT GIFTS**

GIVING TO STANFORD

A. FORM FOR AN EXPENDABLE BEQUEST

I hereby give _____ to THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY ("the Board"), an educational institution. This gift shall be fully expendable at the discretion of the Board, and it shall be used to . . .

- . . . further the objects and purposes of Stanford University.
- . . . provide books and other materials for the Stanford University Libraries.
- . . . support the Graduate School of Business.
 - the School of Earth Sciences.
 - the Graduate School of Education.
 - the School of Engineering.
 - the School of Humanities and Sciences.
 - the School of Medicine.
 - the Stanford Law School.
 - the Department of Athletics, Physical Education and Recreation at Stanford.
 - the Hoover Institution on War, Revolution and Peace.
 - the Iris and B. Gerald Cantor Center for Visual Arts (the Stanford Museum of Art) .
 - the _____ Department.
- . . . support research in (name a field of study) at Stanford University.
- . . . provide financial aid for undergraduate students.
- . . . provide financial aid for graduate students at the School of _____.

NOTE: Donors are encouraged to call the Office of Planned Giving before finalizing provisions for a testamentary gift that includes any other type of restriction on its use.

This form is intended to be a general guide for the use of attorneys. Please call the Office of Planned Giving for more information.

All gifts and bequests designated for restricted purposes are subject to the University's Restricted Funds Policies which are set forth in more detail in the section titled "Other Documents."

GIVING TO STANFORD

**B. FORM FOR BEQUEST FOR AN UNRESTRICTED
ENDOWMENT FUND**

2014 Minimum Contribution: \$100,000

I hereby give _____ to THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY ("the Board"), an educational institution. The property comprising this gift may, for investment purposes, be merged with any of the investment assets of Stanford University, but it shall be entered in the University's books and records as an endowed fund known as THE _____ FUND ("the Fund"). The Board shall use the endowment payout from the Fund to further the objects and purposes of Stanford University.

This form is intended to be a general guide for the use of attorneys. Please call the Office of Planned Giving for more information.

All gifts and bequests designated for restricted purposes are subject to the University's Restricted Funds Policies which are set forth in more detail in the section titled "Other Documents."

GIVING TO STANFORD

C. FORM FOR BEQUEST FOR AN ENDOWED BOOK FUND

2014 Minimum Contribution: \$25,000

NOTE: The Stanford Libraries place a bookplate with the name of the donor in books purchased with distributions from an endowed book fund.

I hereby give _____ to THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY ("the Board") an educational institution. The property comprising this gift may, for investment purposes, be merged with any of the investment assets of Stanford University, but it shall be entered in the University's books and records as an endowed fund known as THE _____ BOOK FUND ("the Fund"). The Board shall use the endowment payout from the Fund...

... for the acquisition and preservation of library materials for the Stanford University Libraries.

... for the acquisition and preservation of library materials for the Stanford University Libraries, with a preference for books relating to the field of _____.

I understand that expenditures from this Fund will be subject to the University's infrastructure charge on gifts restricted to specific purposes at the time they are expended.

If, in the judgment of the Board, changed circumstances should at some future time render the designated use of this Fund no longer appropriate, then the Board shall use distributions from the Fund to further the objects and purposes of Stanford University, giving consideration to my special interest described above.

Donors who wish to add restrictive language other than the examples listed above are encouraged to contact the Office of Planned Giving.

This form is intended to be a general guide for the use of attorneys. Please call the Office of Planned Giving for more information.

All gifts and bequests designated for restricted purposes are subject to the University's Restricted Funds Policies which are set forth in more detail in the section titled "Other Documents."

GIVING TO STANFORD

**D. FORM FOR BEQUEST FOR AN ENDOWED
UNDERGRADUATE FINANCIAL AID FUND**

2014 Minimum Contribution: \$100,000, but see Note

NOTE: Students who receive scholarships from endowed funds larger than \$250,000 are generally told the identity of the donors who made their financial aid possible.

I hereby give _____ to THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY ("the Board"), an educational institution. The property comprising this gift may, for investment purposes, be merged with any of the investment assets of Stanford University, but it shall be entered in the University's books and records as an endowed fund known as THE _____ UNDERGRADUATE SCHOLARSHIP FUND ("the Fund"). The Board shall use the endowment payout from the Fund to provide scholarships for . . .

- . . . undergraduate students at Stanford University.
- . . . undergraduate students at Stanford University, with a preference for students who have declared a major in (name a field of study).
- . . . undergraduate students who are participating in intercollegiate athletics.

The amount and terms of each scholarship, and the recipient thereof, shall be determined by such University authority as may be designated by the Board for that purpose.

If, in the judgment of the Board, changed circumstances should at some future time render the designated use of the Fund no longer appropriate, then the Board shall use distributions from the Fund to further the objects and purposes of Stanford University, giving consideration to my special interest described above.

Donors who wish to add restrictive language other than the examples listed above are encouraged to contact the Office of Planned Giving.

This form is intended to be a general guide for the use of attorneys. Please call the Office of Planned Giving for more information.

All gifts and bequests designated for restricted purposes are subject to the University's Restricted Funds Policies which are set forth in more detail in the section titled "Other Documents."

GIVING TO STANFORD

E. FORM FOR BEQUEST FOR AN ENDOWED FELLOWSHIP FUND

2014 Minimum Contribution: \$100,000 - \$250,000 depending on the School

NOTE: The term "fellowship" in this context generally refers to financial aid for graduate students. Students pursuing an MD degree at the Medical School, however, receive "scholarships." Most individuals designate a specific department or school whose students will benefit from the fund.

I hereby give _____ to THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY ("the Board"), an educational institution. The property comprising this gift may, for investment purposes, be merged with any of the investment assets of Stanford University, but it shall be entered in the University's books and records as an endowed fund known as THE _____ FELLOWSHIP FUND ("the Fund"). The Board shall use the endowment payout from the Fund to provide financial support, including but not limited to fellowships and assistantships, for graduate students enrolled in . . .

- . . . the School of Engineering.
- . . . the Department of Mechanical Engineering (or any other department) in the School of Engineering.
- . . . the Department of History (or any other department) in the School of Humanities and Sciences.
- . . . the Graduate School of Business.
- . . . the School of Education.
- . . . the Stanford Law School.
- . . . the MD program in the School of Medicine.
- . . . the Ph.D. program in the School of Medicine.

The amount and terms of each award, and the recipient thereof, shall be determined by such University authority as may be designated by the Board.

If, in the judgment of the Board, changed circumstances should at some future time render the designated use of the Fund no longer appropriate, then the Board shall use distributions from the Fund to further the objects and purposes of Stanford University, giving consideration to my special interest described above.

This form is intended to be a general guide for the use of attorneys. Please call the Office of Planned Giving for more information.

All gifts and bequests designated for restricted purposes are subject to the University's Restricted Funds Policies which are set forth in more detail in the sections titled "Other Documents."

GIVING TO STANFORD

**F. FORM FOR BEQUEST FOR AN ENDOWED
PROFESSORSHIP FUND**

2014 Minimum Contribution: \$4,000,000

I hereby give _____ to THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY ("the Board") an educational institution. The property comprising this gift may, for investment purposes, be merged with any of the investment assets of Stanford University, but it shall be entered in the University's books and records as an endowed fund known as THE _____ PROFESSORSHIP FUND ("the Fund"). The Board shall use the endowment payout from the Fund to support THE _____ PROFESSOR in the School/Department of _____.

Alternative One: Professorships at Schools other than the School of Medicine.

Support from the Fund shall be directed first toward paying the salary and related expenses of the holder of THE _____ PROFESSOR; next toward defraying library, secretarial, travel and other expenses relating to his or her teaching and research; and finally for the objects and purposes of the School of _____.

Alternative Two: Professorships in the School of Medicine.

Support from the Fund shall be directed first toward paying the salary and related expenses of the holder of THE _____ PROFESSOR. Support not required for the salary and related expenses of the Professorship holder shall be applied next toward defraying library, secretarial, travel, administrative, and other expenses related to his or her teaching, research, and/or clinical practice; and finally, to further the objects and purposes of the Stanford University School of Medicine.

If, in the judgment of the Board, changed circumstances should at some future time render the designated use of the Fund no longer appropriate, then the Board shall use distributions from the Fund to further the objects and purposes of Stanford University, giving consideration to my special interest in teaching and research in the School of _____.

This form is intended to be a general guide for the use of attorneys. Please call the Office of Planned Giving for more information.

All gifts and bequests designated for restricted purposes are subject to the University's Restricted Funds Policies which are set forth in more detail in the section titled "Other Documents."

GIVING TO STANFORD

G. FORM FOR AN EXPENDABLE LIFETIME GIFT

The Board of Trustees of
The Leland Stanford Junior University
Frances C. Arrillaga Alumni Center
326 Galvez Street
Stanford, California 94305-6105

Ladies and Gentlemen:

Enclosed is my gift in the amount of _____ to THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY ("the Board"), an educational institution. This gift shall be fully expendable at the discretion of the Board, and it shall be used to...

- . . . further the objects and purposes of Stanford University.
- . . . provide books and other materials for the Stanford University Libraries.
- . . . support the Graduate School of Business.
 - the School of Earth Sciences.
 - the Graduate School of Education.
 - the School of Engineering.
 - the School of Humanities and Sciences.
 - the School of Medicine.
 - the Stanford Law School.
 - the Department of Athletics, Physical Education and Recreation at Stanford.
 - the Hoover Institution on War, Revolution and Peace.
 - the Iris and B. Gerald Cantor Visual Arts Center (the Stanford Museum of Art).
 - the _____ Department.
- . . . support research in (name a field of study) at Stanford University.
- . . . provide financial aid for undergraduate students.
- . . . provide financial aid for graduate students at the School of _____.

I understand that expenditures from this Fund will be subject to the University's infrastructure charge on gifts restricted purposes at the time they are expended.

If this gift is acceptable to you, please sign and return to me a copy of this letter.

Sincerely,

Donor

This gift is gratefully acknowledged and accepted this _____ day of _____, 20__.

THE BOARD OF TRUSTEES OF
THE LELAND STANFORD JUNIOR UNIVERSITY

By: _____

Donors are encouraged to call the Office of Planned Giving before making a gift which includes any other type of restriction.

This form is intended to be a general guide for the use of attorneys. Please call the Office of Planned Giving for more information.

All gifts and bequests designated for restricted purposes are subject to the University's Restricted Funds Policies which are set forth in more detail in the section titled "Other Documents."

GIVING TO STANFORD

H. FORM FOR LIFETIME GIFT TO ENDOW
AN UNDERGRADUATE FINANCIAL AID FUND

2014 Minimum Contribution: \$100,000, but see Note

NOTE: Students who receive scholarships from endowed funds larger than \$250,000 are generally told the identity of the donors who made their financial aid possible.

The Board of Trustees of
The Leland Stanford Junior University
Frances C. Arrillaga Alumni Center
326 Galvez Street
Stanford, California 94305-6105

Ladies and Gentlemen:

Enclosed is my gift in the amount of _____ to THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY ("the Board"), an educational institution. The property comprising this gift may, for investment purposes, be merged with any of the investment assets of Stanford University, but it shall be entered in the University's books and records as an endowed fund known as THE _____ UNDERGRADUATE SCHOLARSHIP FUND ("the Fund"). The Board shall use the endowment payout from the Fund to provide scholarships for . . .

- . . . undergraduate students at Stanford University.
- . . . undergraduate students at Stanford University, with a preference for students who have declared a major in (name a field of study).
- . . . undergraduate students who are participating in intercollegiate athletics.

The amount and terms of each scholarship, and the recipient thereof, shall be determined by such University authority as may be designated by the Board for that purpose.

If, in the judgment of the Board, changed circumstances should at some future time render the designated use of the Fund no longer appropriate, then the Board shall use distributions from the Fund to further the objects and purposes of Stanford University, giving consideration to my special interest described above.

If this gift is acceptable to you, please sign and return to me a copy of this letter.

Sincerely,

Donor

This gift is gratefully acknowledged and accepted this _____ day of _____, 20__.

THE BOARD OF TRUSTEES OF
THE LELAND STANFORD JUNIOR UNIVERSITY

By: _____

Donors who wish to add restrictive language other than the examples listed above are encouraged to contact the Office of Planned Giving.

This form is intended to be a general guide for the use of attorneys. Please call the Office of Planned Giving for more information.

All gifts and bequests designated for restricted purposes are subject to the University's Restricted Funds Policies which are set forth in more detail in the section titled "Other Documents."

GIVING TO STANFORD

I. FORM FOR LIFETIME GIFT TO ENDOW
A FELLOWSHIP FUND FOR GRADUATE STUDENTS

2014 Minimum Contribution: \$100,000 - \$250,000 depending on the School

NOTE: The term "fellowship" in this context generally refers to financial aid for graduate students. Students pursuing an MD degree at the Medical School, however, receive "scholarships." Most individuals designate a specific department or school whose students will benefit from the fund. Students who receive fellowships or scholarships from endowed funds are generally told the identity of the donors who made their financial aid possible.

The Board of Trustees of
The Leland Stanford Junior University
Frances C. Arrillaga Alumni Center
326 Galvez Street
Stanford, California 94305-6105

Ladies and Gentlemen:

Enclosed is my gift in the amount of _____ to THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY ("the Board"), an educational institution. The property comprising this gift may, for investment purposes, be merged with any of the investment assets of Stanford University, but it shall be entered in the University's books and records as an endowed fund known as THE _____ FELLOWSHIP FUND ("the Fund"). The Board shall use the endowment payout from the Fund to provide financial support, including but not limited to fellowships and assistantships, for graduate students enrolled in . . .

- . . . the School of Engineering.
- . . . the Department of Mechanical Engineering (or any other department) in the School of Engineering.
- . . . the Department of History (or any other department) in the School of Humanities and Sciences.
- . . . the Graduate School of Business.
- . . . the Graduate School of Education.
- . . . the School of Earth Sciences.
- . . . the Stanford Law School.
- . . . the MD program in the School of Medicine.
- . . . the Ph.D. program in the School of Medicine.

The amount and terms of each fellowship, and the recipient thereof, shall be determined by such University authority as may be designated by the Board for that purpose. *continued*

If, in the judgment of the Board, changed circumstances should at some future time render the designated use of the Fund no longer appropriate, then the Board shall use distributions from the Fund to further the objects and purposes of Stanford University, giving consideration to my special interest described above.

If this gift is acceptable to you, please sign and return to me a copy of this letter.

Sincerely,

Donor

This gift is gratefully acknowledged and accepted this _____ day of _____, 20__.

THE BOARD OF TRUSTEES OF
THE LELAND STANFORD JUNIOR UNIVERSITY

By: _____

This form is intended to be a general guide for the use of attorneys. Please call the Office of Planned Giving for more information.

All gifts and bequests designated for restricted purposes are subject to the University's Restricted Funds Policies which are set forth in more detail in the section titled "Other Documents."



OTHER DOCUMENTS

DELIVERING GIFTS OF SECURITIES TO STANFORD UNIVERSITY

Gifts of securities may be made to Stanford in three ways. The method of transfer will determine the date of the gift and, therefore, the value of the gift.

A. By Mail

A donor may send the stock certificate by registered mail to:

Stanford University
Gift Processing Department
P.O. Box 20466
Stanford, California 94309

The certificate should be endorsed to "Stanford University" and be signed by the owner(s) identified on the front of the certificate. No signature guarantee is necessary.

We do not recommend that donors send the unendorsed certificate and a signed stock power in separate envelopes. A properly endorsed certificate as described above cannot be transferred to another party.

If the donor uses United States mail, the date of the gift is the postmark date, so long as the certificate reaches the University in the normal course of the mails. When a donor uses a delivery organization like Federal Express or UPS, the date of the gift is the date the mail arrives at Stanford. This difference is caused because the U.S. mail service is considered the agent of the deliverer, while other delivery organizations are the agent of the sender.

B. By Hand

A donor may deliver a properly endorsed stock certificate in person to a representative of Stanford. Donors who want to bring a certificate to the campus should come to the Office of Planned Giving. Delivery can also be made to any authorized agent/employee of the University and need not take

place at Stanford, but prior arrangements should be made with the Office of Planned Giving (650-725-4358).

The date of the gift is the date of delivery.

C. Through a Broker

A donor may direct his or her stock broker to transfer specific securities to Stanford University. Most brokers require written directions from their clients.

The donor and/or the broker should immediately contact the Stanford Management Company (650-721-1917), who will make arrangements with the broker to transfer the securities to Stanford's account.

In this case, the date of the gift is the date upon which the securities are deposited in Stanford's account. Because this transfer can take more than several days to complete after the donor gives instructions to a broker, donors should work closely with Stanford representatives to be sure the gift is completed in a timely manner.

The donor should be sure the University is advised of the intended purpose of the gift at the time the gift is made.

Stanford University

Infrastructure Charge on Restricted Funds

Gifts to Stanford that are restricted for specific purposes are subject to a modest charge (currently 8 percent) to help offset the cost of university infrastructure, such as physical facilities and administrative overhead. This longstanding practice, which is common at peer institutions, is essential to the university's overall excellence.

This charge does not apply to endowed funds for undergraduate financial aid, undergraduate research, graduate fellowships, or academic-year, tenure-line faculty salaries. It does not apply to expendable support for building projects.

Why is the infrastructure charge necessary?

The true cost of any activity at the university includes the facility it occupies. However, the programs supported by restricted gifts do not pay “rent” or otherwise cover expenses like utilities and maintenance. These expenses, although they are closely associated with the teaching or research the program undertakes, must be borne by the university's unrestricted, general funds. Similarly, there are administrative services that must be provided for any Stanford program from the university's central offices.

Before infrastructure charges at universities became common, the assumption was that general funds could cover the cost of infrastructure and administrative overhead, while restricted gifts could be used for “extra” programs and projects. However, over the years these extra programs came to represent a significant portion of the university's total activity, growing much faster than general funds. Stanford therefore recognized that the real cost of the university's physical and administrative infrastructure must be covered at least in part by restricted gifts for the activities that depend upon it.

What are “restricted funds?”

Restricted funds include any money earmarked for specific purposes, such as gifts that donors make with the intention of supporting particular activities. Examples include a gift for cancer research, or a grant from a foundation to support a department or school. Stanford promises such funds will be used in the ways intended by the donors.

Restricted gifts can be in the form of endowment (which is invested for the long term, with only a defined payout being spent each year) or they may be expendable (meaning the entire gift is typically spent in the near term). Restricted funds include gifts from individuals, foundations, and corporations, as well as research grants from various sources.

Are there exceptions?

The infrastructure charge does not apply to endowed funds restricted for academic-year, tenure-line faculty salaries, such as endowed professorships; endowed funds for financial aid or fellowships for pre-doctoral graduate students; endowed funds for financial aid for undergraduates; or endowed funds for undergraduate research. These gifts generally offset

expenses that would otherwise be borne by the university's general funds. Gifts for building projects are also exempt.

Any other exceptions are rare and must be approved by the provost and the chief financial officer. Whenever an exception is approved, the infrastructure charge must be borne by the unit that will benefit from the gift, and that unit must provide a source of unrestricted funds to cover the charge. In fairness to all donors and all university activities, this policy must be applied uniformly to all gifts and grants.

Why 8 percent?

The Board of Trustees sets the infrastructure charge at a level that will make a meaningful contribution toward overhead costs without being burdensome. For most restricted funds, three-quarters of the charge (6 percent) is used by the university centrally, and one-quarter (2 percent) is used within the school or department that administers the fund. For "formula" schools, such as the School of Medicine, the entire charge is used within the school that administers the fund.

Do other universities have similar charges?

Many other colleges and universities have some form of infrastructure charge on restricted funds. Some institutions take a percentage of each gift "off the top" to help defray costs. Others assess a charge as the funds are used or have other means of allocating overhead costs.

When is the charge applied?

The charge is incurred at the time the fund is expended, whether the fund is endowed or expendable.

Are there any other charges to restricted funds?

No. However, expendable funds (other than pending funds) are not credited with any interest before they are expended. This policy is based in large part on the expectation that expendable funds are generally to be spent in the near term.

OFFICE OF PLANNED GIVING OFFICERS

STANFORD UNIVERSITY
Frances C. Arrillaga Alumni Center
326 Galvez Street
Stanford, CA 94305-6105

Kara D. Wertheimer, *Director of Planned Giving*, received her A.B. degree in Psychology from UC Berkeley in 1987 and her J.D. cum laude from Cornell Law School in 1990. She practiced corporate and general business law at Brobeck, Phleger & Harrison in San Francisco for two years before joining her mother in the law firm of Wertheimer & Wertheimer, where she practiced estate planning, trust and probate law. She became a principal of the Law Offices of Fotenos & Suttle, P.C. after its merger with her predecessor firm. She joined the Stanford Office of Planned Giving in 1999. She is a past Board Member of the Northern California Planned Giving Council.
(650-725-5565; kara.wertheimer@stanford.edu)

Jonrie Dávila, *Senior Associate Director of Planned Giving*, received her A.B. degree from Stanford University in 1981 and her Juris Doctor from the University of California, Hastings College of the Law, in 1984. She practiced law with the firm of Vargas & Bartlett, in Reno, Nevada, and later with Holtzmann, Wise, and Shepard, in Palo Alto, California. Jonrie has served as a major and planned giving officer for Stanford University, the University of Dayton, Southern Methodist University, and the American Cancer Society. She joined the Stanford Office of Planned Giving in 2001.
(650-725-4363; jonried@stanford.edu)

Philip Golden, *Associate Director of Planned Giving*, joined the Office of Planned Giving in 2011. Phil practiced trusts and estates law for over a quarter century, most recently for the Berliner Cohen firm in San José and Merced. He is certified by the California Board of Legal Specialization as a specialist in Estate Planning, Probate and Trust Law. Phil currently serves on the legislative committee of the Northern California Planned Giving Council. He received an A.B. in Psychology from Stanford University in 1981, a J.D. from the University of Santa Clara in 1984, and a LL.M. in Estate Planning from the University of Miami in 1985. (650-721-1793; prgolden@stanford.edu)

Blake Grossman, *Assistant Director of Planned Giving for Stanford University Medical Center*, received his B.S. degree in Marketing from Indiana

University, Bloomington in 2003, his J.D. from Golden Gate University School of Law in 2007, and his LL.M. from Golden Gate University School of Law in 2012. Blake practiced as a trust and estate planning attorney at Springs & Associates, P.C., in San Francisco for five years before joining Stanford in 2013. (650-723-4661; blakelg@stanford.edu)

Fred Hartwick, Philanthropic Advisor, received his A.B. degree from Stanford University in 1978 and his Juris Doctor from Hastings College of the Law in 1981. After practicing estate and tax planning at Wilson, Sonsini, Goodrich and Rosati in Palo Alto and Bronson, Bronson and McKinnon in San Francisco, he joined the Stanford Planned Giving Office in 1986. From 2001 to 2011, he managed the planned giving offices at the University of California, Berkeley, and Columbia University. He came to his senses and returned to Stanford in 2011. (650-725-9019; fred.hartwick@stanford.edu)

Carol J. Kersten, Director of Planned Giving for the Stanford University Medical Center, received her B.A. degree from the University of Notre Dame in 1978 and her Juris Doctor from Stanford Law School in 1982. She began at Stanford as a major gift officer in the Medical Center in 1983, and has been Director of Planned Giving for the Medical Center since the mid 90s. She served on the board of Kara, a non-profit in Palo Alto, CA until 2004 and is currently a member of the board of the American Council on Gift Annuities. (650-725-5524; ckersten@stanford.edu)

Ellen Lussier, Associate Director of Planned Giving, earned her bachelor's degree from Wesleyan University in 1978 and her J.D. from Hastings College of the Law in 1983. She practiced at law firms in San Jose and San Francisco, including Collette and Erickson and Brobeck, Phleger and Harrison, before joining Stanford in 2005. She serves on the Board of Directors of the Northern California Planned Giving Council. (650-724-9779; elussier@stanford.edu)

Erin Phillips, Assistant Director of Planned Giving for the Stanford University Medical Center, received her B.S. degree from Santa Clara University in 2005 and her Juris Doctor from Santa Clara University School of Law in 2009. She joined the Stanford Office of Planned Giving in 2010, initially working on the university's restricted funds. In 2011, she began her role as a planned giving officer. (650-234-0613; erin.phillips@stanford.edu)