



MCKENDREE MATTERS

Honoring Our History,
Securing Our Future



Fall 2016

Dear Friends,

It is truly an exciting time at McKendree University! Earlier this year we announced *FORWARD: The Campaign for McKendree University*. This fundraising endeavor seeks to raise \$40 million to boldly advance the University *FORWARD* to meet the continued growing needs of our exceptionally talented students.

Through this Campaign we seek to advance the University with a renovation and addition to Voigt Science Hall, a renovation of Holman Library, a revitalization and renovation of our classroom facilities in Clark Hall, Carnegie Hall and Old Main, and support for general use where funds are needed the most. I encourage you to learn more about the Campaign at www.mckendree.edu/forward.

The articles in this issue of *McKendree Matters* address opportunities to support the University and the goals set forth through *FORWARD: The Campaign for McKendree University* while also benefitting you and your loved ones in the years to come.

Some of the most impactful gifts in the life of the University have come from the estates of generous donors like you. Your



estate planning gifts are critical to McKendree as we advance McKendree *FORWARD*.

If you have made a provision in your will or estate plan to support the future of McKendree University, we encourage you to notify us. If you'd like to include McKendree in your estate plans, we can answer your questions and work with you and your advisors on the charitable aspects of your plans.

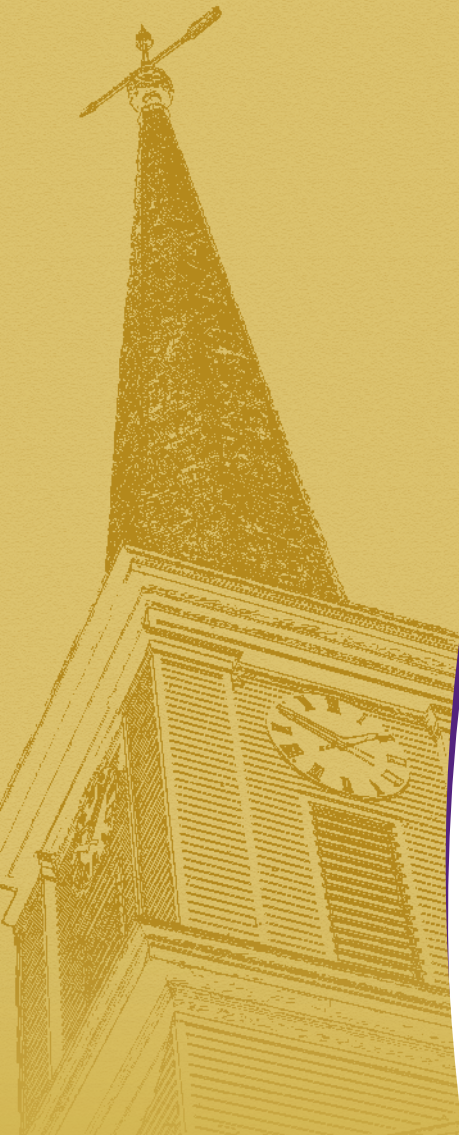
Thank you for your continued generosity and support of McKendree University!

Sincerely,
James M. Dennis

James M. Dennis
President

Inside this Issue:

- **Questions and Answers About Year-End Giving**
- **Benefits of Giving Appreciated Property**



Questions and Answers About Year-End Giving

The end of the year is a traditional season for giving. By taking the time now to carefully consider what to give, when to give and how to give, you can help ensure your gifts are made in a timely manner and in the most tax-efficient ways.

Read on for answers to these frequently asked questions about making gifts at year-end.

Q. What can I donate for a year-end gift?

A. Cash, usually in the form of a check, is the most popular type of charitable gift at the end of the year. If you itemize your tax deductions and donate cash, you are allowed to eliminate tax on up to 50 percent of your adjusted gross income (AGI). Any unused deductions may be used to help reduce taxes in up to five future tax years.

Q. Can I give property other than cash to fund my year-end gift?

A. Yes. Investments that have increased in value during the time you have owned them can be an especially attractive choice to make charitable gifts. Low-yielding stocks, bonds and other property can provide a tax-wise way to make meaningful gifts with little or no impact on your spendable income. See page 4 for more information.

Q. What if I have securities that have *decreased* in value?

A. If you have investments that have decreased in value since you

have owned them, it is usually best to sell them. You can then make a deductible year-end gift of the cash proceeds. You may be able to claim tax benefits for both the capital loss and the charitable gift, which may actually be more than the current value of the assets.

Q. Are there other assets that may be appealing when making year-end gifts?

A. If you own life insurance policies that have built-up cash value but are no longer needed for their original purposes, such as payment of estate taxes, they can make convenient, tax-deductible year-end gifts. Gifts can also be made from your IRA, 401(k) or 403(b). See page 3 for more on this.

Q. I generally review my estate and financial plans at the end of the year. Can these plans include charitable gifts?

A. Yes. As part of a review of your will or living trust, for example, you may wish to include a charitable gift of a specific amount, a percentage or “what’s left” after providing for loved ones.

As you can see, there are many ways to make charitable gifts and a number of benefits that can result from taking the time to carefully consider your year-end giving plans. We will be pleased to provide more information to you and your advisors as you complete your charitable plans this year.

An Unexpected Source for Giving

Using retirement funds for making charitable gifts is generally not among most people's plans at the outset. However, retirement plan assets can be a wise source to make your gifts, both now and in the future.

Giving Now

Make Tax-Free Gifts to McKendree University From Your IRA. If you are aged 70½ or older, you can give directly from a traditional or Roth IRA completely free of federal income tax (up to \$100,000 per person per year). Giving directly from your IRA won't increase your adjusted gross income and possibly subject your Social Security income to a higher level of taxation. Additionally, your charitable IRA gift may count towards your required minimum withdrawal.

Giving Later

Make McKendree University the Beneficiary of a Retirement Plan. When you leave the balance of an IRA, 401(k) or 403(b) to your heirs, they must carefully manage the account to avoid losing its tax-deferred status and potentially triggering large income taxes and possible penalties. You can simplify matters for your loved ones by directing all or a portion of what remains in your retirement accounts to charities and leaving other more tax-favored assets to your heirs. Designating a charitable beneficiary of a retirement account does not require you to change your will.

For more information about making a gift using retirement plan assets, simply return the enclosed card.



Should I Notify McKendree of My Bequest Gift?

Yes, this can be a good idea. It can affect our long-range planning, often in vital ways. We are always grateful to learn of such future gifts and can sometimes assist you by providing information about ways to give more effectively and ensure that the gift will be used as intended.

Be Sure to Use Our Correct Name and Tax ID Number

To avoid the possibility that your bequest might not be received as planned, be sure to use our correct legal name and address: McKendree University, 701 College Road, Lebanon, IL 62254 and our tax id number: _____ to avoid any confusion.

Thank you for remembering the students of McKendree University in your plans.

Benefits of Giving Appreciated Property

Giving appreciated property that you have owned for longer than a year makes good tax sense from both a philanthropic and financial planning perspective. Consider:

1. Gifts of qualified property are generally deductible at fair market value, not what you paid for it.
2. Capital gains tax that would otherwise be due if property were sold can be bypassed if property is donated.
3. You could repurchase the same security and enjoy a new, higher cost basis.
4. Your deduction may reduce taxes for this year and as many as five future years.
5. You can conserve cash for other purposes.
6. You make a meaningful gift that will benefit the students of McKendree University.

We would be happy to talk to you and/or your advisors about making a gift of appreciated assets to McKendree. Simply call or return the enclosed card.



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