The Art of Gift Planning

Maximize Your Gift
Make a Lasting Difference through Gift Planning
As a dedicated alumnus or friend, it’s likely you want to “do more” for the future of Penn State to help it remain a world-class university. By using gift planning, you can.

Gift Planning is an art that combines financial planning, estate planning, and tax planning techniques to enable donors to make gifts of surprising significance, often with dramatic tax and financial rewards.

The need for careful planning becomes clear when people consider the basic questions involved in making an important gift:
- What should I give?
- How should I give?
- When should I give?
- Are there special purposes my gift should accomplish?

Planning What to Give
You may be surprised to learn you can obtain different tax benefits from giving different types of property. Consider, for example, highly appreciated securities: if stocks have been owned more than one year, you can deduct the fair market value of the stock, not just your original cost. This larger deduction and the ability to avoid capital gains taxes that otherwise would have been due on a sale or transfer of these assets makes appreciated assets a particularly attractive funding option when considering a gift. Gifts of real estate, mutual funds, and other types of property offer the same advantages.

At death, it makes good sense if you leave “tax-burdened” assets (such as U.S. savings bonds and death benefits from retirement accounts) to Penn State and allow your heirs to avoid income and death taxes.

Planning How to Give
You might want to join alumni and friends who have helped Penn State colleges, campuses, and programs through bequests—gifts through their wills or living trusts. You also could choose to make a gift that

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reserves lifetime income to you or a family member. The University would benefit in the same manner as if you had made a bequest; however, you would be entitled not only to income but charitable deductions and other tax benefits today.

You may prefer the simplicity of an immediate gift of cash or property. By tailoring the form of your gift to fit your individual situation, you can gain maximum tax rewards, maintain financial security, and make an exceptionally meaningful contribution to the Penn State program closest to your heart.

Planning When to Give
Like many people, you may consider planning gifts at the year’s end to provide important tax deductions. Or, you may find charitable contributions most helpful in years when you have a large influx of taxable income from a bonus, sale of a business or successful investment, or inheritance of taxable assets such as savings bonds or IRAs. As noted earlier, large deductions are available even if you retain lifetime income from your gift.

The most practical time to make significant gifts may be through your estate plan, by means of a will, living trust, or beneficiary designation on a life insurance policy or retirement account. Such gifts may save significant future estate and income taxes and are wholly revocable while you are alive.

Planning the Purpose(s) of Your Gift
Your support should be carefully planned to assure your personal satisfaction. Your gift can be established as a memorial to a spouse, loved one, or special friend—or you may make a gift in someone’s honor. You may want to designate your gift for a particular program or purpose, endow a fund in perpetuity, or simply say that your gift may be applied wherever the need is greatest (meaning “unrestricted”).

Timing Can Be Everything
Artful gift planning often is a matter of seizing opportunities and acting at just the right time. Consider calling our office before you:
- Sell investments—particularly at a profit
- Make or amend your will or establish a living trust
- Sell your business, vacation or rental property, farm, or other real estate
- Roll over low-interest CDs or bonds at maturity
- Name beneficiaries for pension plans or life insurance

By using gift planning, you can:
- Earn income, pay fewer taxes, and secure retirement
- Enhance your net estate for your heirs
- Create a personal legacy
- Get more from real estate
Penn State’s Office of Gift Planning continues to take great pride in offering personal and confidential service to Penn State alumni, parents, and friends. Our gift planners will work with you, and with your financial advisers if desired, to help you select the giving techniques to meet your individual goals, secure your family’s future, and strengthen Penn State—all at the same time. For more information about bequests, charitable designations, or life income arrangements benefiting Penn State University, please contact our office today.

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Maximize Your Gift with Gift Planning
The professional staff at Penn State’s Office of Gift Planning is available to answer your questions, provide you with gift illustrations, or suggest language for your will or living trust so that you may make a gift to benefit the Penn State college, campus, or program of your choice. Our services are without cost or obligation.