



East Carolina University

College of Health and Human Performance

*The Rewards and Benefits  
of Planned Giving*



## What Is a Planned Gift?

A planned gift is a philanthropic gift and legacy that is funded either during the donor's lifetime or after the donor's death. The gift is part of a larger estate-planning process in which the donor decides how certain assets are distributed.

There are many financial instruments available to the savvy estate planner that can help you achieve your long-term financial goals, allowing you to take care of loved ones while still supporting organizations such as the College of Health and Human Performance.

## The Benefits of Planned Giving

You will have the satisfaction of contributing to the education of hundreds of students and improving the quality of life of the region, the state, and the nation. Donors can be honored during their lifetimes for what they do, and they will leave behind a legacy of philanthropic support.

The tax advantages are substantial, especially on appreciated securities and properties. The total income, estate, and capital gains tax savings and the probate expense savings can come close to the amount transferred. The donor can receive income for life.

Planned gifts remove property from probate, thereby reducing or eliminating probate expenses.

You can turn your funds over to a professional manager and diversify your investment portfolio. Many giving options can assure you of income for the rest of your life from your gift.

Planned gifts can prevent the dissipation of funds. You can provide for the needs of a dependent child or other family members who cannot manage the assets on their own.

An up-to-date will is perhaps the most important tool in creating a planned gift. A proper will ensures that your property is distributed according to your wishes and provides for your family, allowing them to avoid the legal red tape that results should you die intestate (without a will).



# Types of Planned Gifts

## Life Insurance

- It is perhaps the simplest form of donating an asset.
- By citing the College of Health and Human Performance and designating the East Carolina University Foundation, Inc., as the owner and beneficiary of the policy, you are entitled to charitable donations.
- It could be an inexpensive way to replace the value of another donated asset since existing policies may no longer be needed for their original purpose.

*Example:* Greg is recently widowed. His children are out of college and gainfully employed. Both sets of parents are deceased, leaving Greg with a sizable paid-up life insurance policy no longer needed to protect his family.

By donating the policy to the College of Health and Human Performance through the East Carolina University Foundation, Inc., and making the college the owner and beneficiary, Greg has accomplished a lifelong goal of giving back to the people and program that contributed so much to his success.

## Closely Held Stock

- You create an income-tax deduction.
- You eliminate the capital gains tax.
- There is no change in who controls the corporation.
- You avoid a dividend distribution and the related tax exposure.

*Example:* The XYZ Company has been a closely held family corporation for generations. Jack gave the College of Health and Human Performance a block of shares through the East Carolina University Foundation, Inc., and the company bought them back using retained earnings. The College of Health and Human Performance used the proceeds to create an endowed scholarship for children of the XYZ Company's employees. Everyone wins but the tax office.

## Living Trust

- The provisions are fully revocable and amendable at any time.
- You name the beneficiary of the income of the trust.
- The remainder goes to those you have named.
- You name the trustee.

*Example:* As middle-aged ECU alumni, Joan and Ted have achieved financial security early, have no children, and now want to travel without worrying about their personal finances. By working with a trust officer at their bank and creating living trusts, they can fulfill their dreams and accomplish their charitable goals. They name the College of Health and Human Performance (through the East Carolina Foundation, Inc.) as the recipient of the trust's remaining principal upon their deaths.

This endowment will provide earnings doubling the amount of their HHP Discretionary Fund gift in perpetuity.

## Retained Life Estate

- You continue to stay in your home for life.
- You can receive a charitable deduction on income and estate taxes.
- You can give a portion of your property and still receive charitable deductions.

*Example:* Al and Judith want to make a significant gift to the College of Health and Human Performance, to continue to live on their farm, and to receive a sizable tax deduction and lessen their estate tax. The retained life gift was the perfect answer. It also provided Al and Judith a way to make an even larger commitment to the college than they thought possible.

## Charitable Lead Trust

- A charitable lead trust can enhance your ability to make larger current gifts to the College of Health and Human Performance.
- You can preserve assets for your family while still supporting ECU.
- You can reduce your taxable income and your estate tax.

*Example:* Bill wants to make significant annual gifts to the College of Health and Human Performance to fund a scholarship in his father's memory. It is important, however, that his three children inherit the assets he has accumulated. The charitable lead trust accomplishes both goals, and he will reap significant tax savings. Bill will enjoy helping deserving students receive educational benefits offered by the College of Health and Human Performance during his lifetime.

## Charitable Remainder Trust

- You can use underperforming appreciated assets to create a steady income for the rest of your life.
- You realize a significant charitable deduction.
- The capital gains tax is eliminated.
- Your trust is professionally managed.

*Example:* Jane's late husband left her with a huge block of appreciated stock currently yielding a 2 percent dividend. By creating a charitable remainder trust, she earns a significant charitable deduction, an annual yield of 6 percent, and she doesn't have to worry about how her portfolio is doing. Most importantly, the College of Health and Human Performance through the East Carolina University Foundation, Inc., will receive the remainder of the trust and will endow a faculty chair in honor of Jane's favorite professor.

## Charitable Lead Annuity

- You can provide a fixed income for life for yourself and perhaps one other person.
- You can realize a considerable tax savings.
- You can create an annuity with a cash gift or other appreciated assets.
- Capital gains tax is avoided.

*Example:* Deb and Jessie desire a fixed income for both of them for the rest of their lives to supplement their Social Security and other retirement funds. They hold underperforming but highly appreciated assets. By creating a charitable gift annuity and citing the College of Health and Human Performance and designating the East Carolina University Foundation, Inc., as the recipient of their assets, they are eligible for a rate of return of more than 7 percent since they are both more than seventy years old. Their additional annual income even allows them to provide a year-end gift to the College of Health and Human Performance Discretionary Fund.

## Making a Planned Gift to the College of Health and Human Performance

After highlighting the reasons and advantages of planned gifts, we hope that this information will encourage you to take the time to develop and fine-tune your own financial and estate plans.

We would like to encourage you to consider the College of Health and Human Performance at East Carolina University in this process. You can leave a specific gift or a percentage of your total estate in your will to the College of Health and Human Performance and specify the purpose of these monies. Your generosity will enable you to leave a legacy and to assist future HHP students.

---

For more information and additional brochures, please call Greg Abeyounis, director of development, at 252-328-4662, or e-mail [abeyounisg@mail.ecu.edu](mailto:abeyounisg@mail.ecu.edu).