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OFFICE OF GIFT PLANNING

Guide to **Gift Planning**

at the University of Colorado

Smart, Simple and Effective

Guide to Gift Planning at the University of Colorado

Smart, Simple and Effective

When you give to the University of Colorado, you join others who share in the vision of a world-class public research university with international impact. This guide to giving is designed to help you explore the many ways you can support CU with a planned gift.

At CU, how, when and where you give is always on your terms. The Office of Gift Planning is here to help you make a gift that benefits you and the university. No matter how you choose to give, you can be confident that your contribution will create impact for generations to come.

WAYS TO GIVE



Non-Cash Assets

Give appreciated non-cash assets now to reduce or eliminate federal capital gains tax later.



Wills or Living Trusts

Include a bequest in your will or revocable trust for the benefit of CU.



Retirement Plan Assets

If you are 70½ or older, give from your IRA without paying income tax on the transfer.



Beneficiary Designations

Make CU a beneficiary of your retirement or other accounts to transfer assets tax free after your lifetime.



Donor-Advised Funds

Create your own fund and recommend distributions to CU.



Real Estate

Give a personal residence, vacation home or commercial property and receive tax benefits.



Charitable Gift Annuities

Receive fixed income for life and support CU after your lifetime.



Charitable Remainder Trusts

Create income now, support CU later.

The CU Heritage Society

The University of Colorado Heritage Society is a prestigious group of over 1,700 supporters who have included CU in their estate plans. This legacy society celebrates those who have chosen to invest in CU's future.

More information can be found at giftplanning.cu.edu/cu-heritage-society

Our Gratitude

The University of Colorado is inspired by and grateful for the legacy gifts that support our mission. If you have included CU in your estate plans, please let us know. We would like to thank you for your generosity and ensure we understand your wishes and recognize you as a member of the CU Heritage Society.

Office of Gift Planning
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This information is not intended as legal, tax or investment advice. Please consult your legal and financial advisors.

Non-Cash Donations

Support CU with appreciated stocks, bonds or other assets.

Did you know that there are many ways to support the University of Colorado with resources other than cash? Some donors choose to make tax-efficient gifts using appreciated assets or other accounts. Here are a few examples of popular non-cash donations:

Appreciated Securities

- By donating stock you have owned for longer than one year, you could receive more income tax savings than you would by making a cash gift. This includes potentially eliminating tax on any appreciation.

EXAMPLE: John is considering making a $100,000 gift of cash or securities to CU.

Here are his potential tax savings for each gift type:

	Cash	Appreciated Securities
Gift Amount	$100,000	$100,000 (cost basis: $20,000)
Deduction Floor	$5,000	$5,000
Deductible Portion of Gift	$95,000	$95,000
Estimated Tax Deduction (35% deduction cap)	$33,250	$33,250
Capital Gains Savings	$0	$16,000
After-Tax Cost	**$66,750**	**$50,750**

Assumptions: John has an adjusted gross income of $1 million, is in the 37% income tax bracket, and has a capital gains tax rate of 20% with a 35% deduction cap. Tax rates and brackets may vary and state income tax rates are not considered.

Gifts Through Your IRA

- A qualified charitable distribution from your IRA is a smart and efficient way to give once you turn 70½. You can request a direct distribution to a charity up to an annual limit. The transfer is excluded from your income for federal tax purposes, and if you're 73 or older, your gift may be used to satisfy your required minimum distribution (RMD).

Real Estate

- By donating all or part of your property to CU, you may be able to reduce your capital gains tax, receive an income tax deduction and potentially receive income for life—and you may even be able to continue to use or live on the property.

Closely Held Business Interests and Other Complex Assets

- You may be able to leverage interests in privately held stock, limited liability companies or limited partnership interests to further your philanthropy at CU.

Donor-Advised Funds

- Create your own fund and recommend distributions to CU and other charities. You qualify for a tax deduction when you make a gift to a donor-advised fund, without immediately having to choose what you want to support.

Cryptocurrency

- Giving cryptocurrency is easier than ever. A gift of cryptocurrency is a non-taxable event, meaning you do not owe capital gains tax on the appreciated amount and can deduct it from your taxes. This makes Bitcoin and other cryptocurrency gifts some of the most tax-efficient ways to support CU.

Life Insurance

- Consider making a gift of life insurance by designating that CU receives all or a portion of the death benefit associated with your life insurance policy or by transferring ownership of the policy. Transferring ownership results in an immediate income tax charitable deduction and potential income tax savings in the year of the gift.

In-Kind Goods or Services

- If you make a gift of tangible personal property, the full fair market value is generally deductible if the asset is accepted for a use that is directly related to the university's mission. In addition, some services can be donated in exchange for a charitable deduction.

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Bequests

Leave a lasting legacy at CU through your will or living trust.

For many alumni and friends of the University of Colorado, making a gift through a will or living trust is the easiest way to make a significant contribution to the university. You can direct a dollar amount, a specific asset or a percentage of your estate to any CU campus, school or program.

ADVANTAGES OF A DEFERRED GIFT TO CU:

Revocable:
You may change the beneficiaries of your estate at any time.

Tax-wise:
A charitable gift in your will or trust may reduce estate taxes.

Comfortable:
You can retain and benefit from your assets throughout your lifetime.

Considerate:
Giving personal property, like real estate, to charity saves your heirs the hassle of selling the property.

SAMPLE LANGUAGE

To give an unrestricted gift that allows the University of Colorado to use the funds based on its most pressing needs, use the following language for your will and/or trust:

"I give, devise, and bequeath to the University of Colorado Foundation, a Colorado nonprofit corporation currently located at 1800 Grant Street, Suite 725, Denver, CO 80203, or its successor thereto, _____ *[insert dollar amount, percentage of estate or exact description of property to be given]* ***for its unrestricted charitable use and purpose."***

To designate your gift for a particular purpose, use the following language for your will and/or trust:

"I give, devise, and bequeath to the University of Colorado Foundation, a Colorado nonprofit corporation currently located at 1800 Grant Street, Suite 725, Denver, CO 80203, or its successor thereto, _____ *[insert dollar amount, percentage of estate or exact description of property to be given]* ***for the benefit of the*** _____ *[insert specific program, college or school]* ***at the University of Colorado."***

**Please consider working with us on a testamentary gift agreement to further outline the use of your gift.*

BENEFICIARY DESIGNATIONS

If you're not ready to commit to making a gift in your will or estate documents, consider the increased flexibility that a beneficiary designation provides by using:

- **Retirement Plan Assets**
- **Life Insurance**
- **Donor-Advised Funds**
- **Commercial Annuities**
- **Bank Accounts, Certificates of Deposit or Brokerage Accounts**

Make a Gift in a Few Easy Steps
Many financial accounts allow you to name a beneficiary by filling out a simple beneficiary form. Designating a charity as a whole or partial beneficiary of your retirement account, insurance policy or investment account is a powerful way to make a gift. These gifts happen outside of the probate process and reduce the size of your taxable estate.

LEGAL NAME / TAX ID: Charitable gifts should be directed to the University of Colorado Foundation (Federal tax ID number: 84-6049811).

Provide Support With Your Bank and Brokerage Accounts
Most states allow you to designate loved ones and favorite causes to benefit from your bank account after your passing. For CU to benefit from your checking account, savings account or CDs, you must make them payable on death* to the University of Colorado Foundation. To leave us funds from your brokerage or investment accounts, you must place a transfer on death* designation on them. Simply contact your bank representative or broker for instructions on how to complete your gift.

**State laws govern payable on death accounts and transfer on death accounts. Consult with your bank representative or investment advisor to consider these types of gifts.*

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TIP: Making charitable gifts in your estate?
Use your retirement account first.
If you plan on making gifts to charity through your estate, consider using your pre-tax individual retirement account. Money given to charity from these accounts will transfer tax free. If you give your retirement account to a loved one, they will have to pay ordinary income tax on any withdrawals.

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Individual Retirement Accounts

Make a tax-wise gift from your retirement savings.

If you want to support the University of Colorado, consider making a qualified charitable distribution from your individual retirement account (IRA). This transfer counts toward your required minimum distribution if one is due and is excluded from your adjusted gross income (AGI) for federal tax purposes.

HOW IT WORKS

1



Ensure your retirement plan qualifies. Most individual retirement accounts qualify and under certain circumstances, you may be able to roll assets from pensions, profit sharing or a 401(k) or 403(b) plan into an IRA and then make your gift from the IRA directly to the University of Colorado Foundation.

2



If you are 70½ or older, you can give any amount from your IRA, up to an annual limit, directly to a charity. You pay no income taxes on the gift. The transfer doesn't generate taxable income or a tax deduction, so you benefit even if you do not itemize your tax deductions. If you are required to take minimum distributions, you can use your gift to satisfy all or part of your obligation.

3



The qualified charitable distribution must go directly to a charity. To retain the tax-free treatment of your charitable IRA rollover gift, you cannot receive any goods or services from CU, such as parking benefits or event or athletic tickets.

4



To make your qualified charitable distribution, simply contact the company that holds your IRA and ask to make a qualified charitable distribution to the University of Colorado Foundation (federal tax ID number: 84-6049811). Please request that your IRA administrator reference your name, address and fund or benefit area you'd like to support, if possible.

Other Ways to Make an Impact with Your IRA

If you are 70½ or older, consider using your qualified charitable distribution to establish a charitable gift annuity. You can avoid taxes on IRA withdrawals by making a one-time election to fund a gift annuity through a qualified charitable distribution, up to an annual limit. Contact us to see if this option is right for you.

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Not 70½ Yet?

You don't have to wait to use your IRA to support your vision of a better world. Simply name the University of Colorado Foundation as a beneficiary of your account, and we'll receive the funds you designate after your lifetime.

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Donor-Advised Funds

Flexible giving with immediate tax benefits.

A donor-advised fund gives you the flexibility to manage and enhance your philanthropy. You can use it to make a charitable contribution, receive an immediate tax benefit and recommend grants from the fund over time to the University of Colorado and other qualified charities. Think of it as a charitable bank account: You can contribute to the fund as often as you'd like, the fund is invested for potential growth and you can recommend grants when the time is right.

HOW A DONOR-ADVISED FUND WORKS

NOW



CREATE A FUND

Donor contributes cash, non-cash assets or property to a sponsoring organization.



INVEST FOR GROWTH

Contributions are invested by the sponsoring organization and grow tax free.



ENJOY TAX BENEFITS

Donor gets an immediate tax deduction for their contribution.

LATER



GRANT TO CHARITIES

Sponsoring organization disburses money to donor's chosen charities. No additional tax benefits are generated when grants are made.

GIFT OPTIONS

- **cash**
- **real estate**
- **life insurance**
- **stocks, bonds and mutual funds**
- **closely held stock**
- **tangible personal property**

YOUR BENEFITS

Convenience
Setting up a donor-advised fund qualifies you for a federal income tax charitable deduction when you make a gift to the fund—without immediately having to choose the charities you want to support.

Simplicity
You can support numerous charitable organizations without having to retain records for separate contributions.

Family Philanthropy
You can involve family members in the process or give them the right to recommend distributions, encouraging them to develop their own tradition of philanthropy.

Continuing Your Charitable Vision

Make sure to leave a detailed succession plan. You can pass on your charitable legacy by nominating an individual, a charity or a combination of both as the successor for your donor-advised fund. You can set this up when opening your account or update it anytime to ensure your charitable vision continues for future generations.

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TIP
With a gift of $100,000 or more in cash, securities or other assets, you can establish a **Donor Choice Fund** directly with the University of Colorado Foundation and recommend annual distributions to programs you care about.



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Real Estate

Transform property into possibility.

Imagine avoiding the hassles of managing or selling a property while helping to support the University of Colorado and qualifying for a federal income tax charitable deduction. This can be your reality when you make a gift of real estate to CU.

Real estate gifts can be:

- Undeveloped land
- Primary residences
- Investment real estate such as apartment, retail, industrial and office buildings
- Farms, ranches and other agricultural properties
- Vacation homes
- Mineral interests and water rights

You can choose to:

- Give your residence, rental, commercial property or undeveloped land outright.
- Leave property to CU through your will or living trust, or by completing a beneficiary deed.
- Make a gift of a remainder interest in your home and continue living in it rent-free.
- Make a gift of a fractional interest of your ownership in a property, allowing you to receive a portion of the net sales proceeds.
- Use property to fund a charitable trust, which makes lifetime payments to you or a loved one after the property is sold.

DONOR PROFILE: MARDA BUCHHOLZ, MBA'73



Donating my rental property to CU was easy, financially wise and very rewarding. The condominium was becoming more and more of a burden to lease and manage, particularly from afar while trying to savor retirement. I saw increased repair and renovation costs on the horizon, and because of the depreciation deductions I had taken over years of ownership, I also saw a significant tax bill ahead if I sold the property myself. By contributing the property, I was relieved of the management and sale hassles, avoided a significant tax bill, received a charitable deduction that I can use over several years to reduce my taxes and am now able to see the impact of the gift on students in the College of Music at CU Boulder. The process was so easy and fulfilling, I'm now planning a gift of a modest vacation home once I can no longer enjoy that."

WHY DONATE REAL ESTATE?

Depending on the method you choose, a gift of real estate to CU may allow you to:

- Make a significant gift to the university
- Qualify for an income tax charitable deduction
- Reduce or eliminate capital gains tax
- Pay no gift tax on the transfer
- Reduce your estate administration expenses
- Eliminate ownership and management burdens
- Possibly increase your income

Contact the Office of Gift Planning at 303-541-1229 or giftplanning@cu.edu to discuss the possibility of giving real estate to the University of Colorado through the University of Colorado Foundation.

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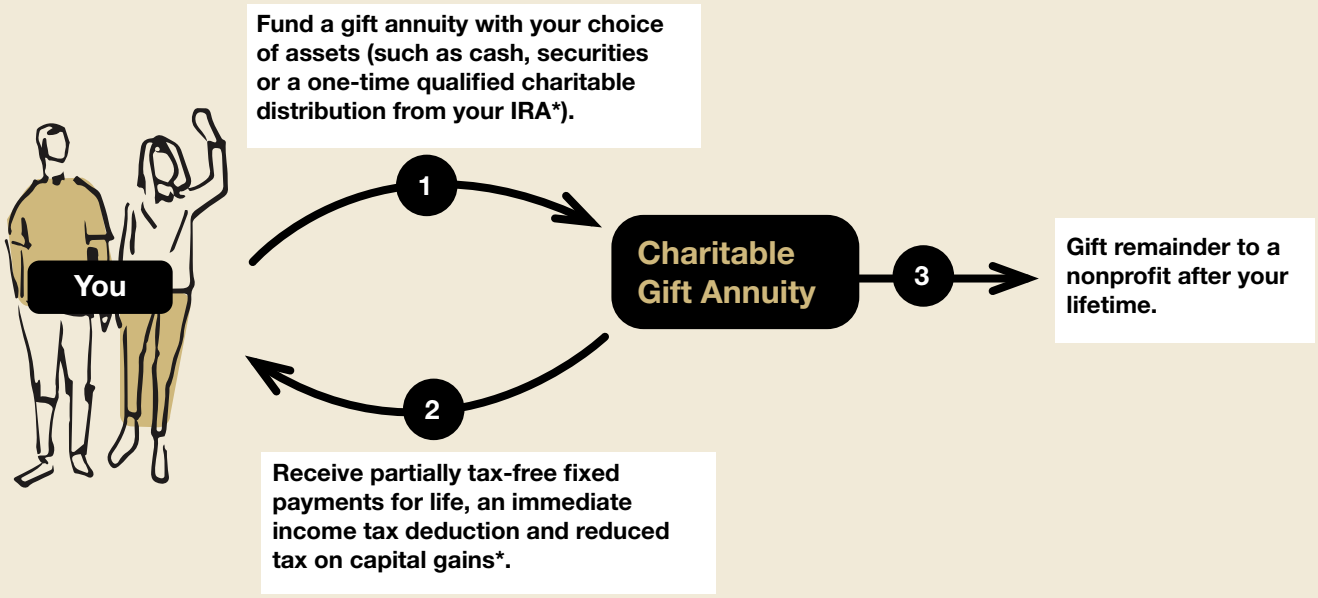
Charitable Gift Annuities

Receive income for life while supporting CU.

A charitable gift annuity is a worry-free gift that's easy to implement and a unique opportunity to boost your income while supporting the University of Colorado.

Here's how it works: First, you make an irrevocable donation to the University of Colorado Foundation, usually with cash or securities. If you are 70½ or older, you may also fund this gift with a qualified charitable distribution from your IRA. In return, you receive fixed payments for life. After your lifetime, the remaining amount will support CU in the way you choose.

HOW IT WORKS:



**If you use a one-time qualified charitable distribution from your IRA to fund a charitable gift annuity, there is no charitable deduction because the funds were not previously subject to income tax and the annuity payments you receive will be taxed as regular income.*

GIFT ANNUITY PAYMENT SAMPLE RATES

Gift annuity payment rates vary by the recipient's age and will increase with age. The following chart shows the maximum rates suggested by the American Council on Gift Annuities, and also illustrates how rates differ if the annuity is set to pay two individuals. Rates are subject to change; please contact us for current rates and rates not listed.

Sample rates

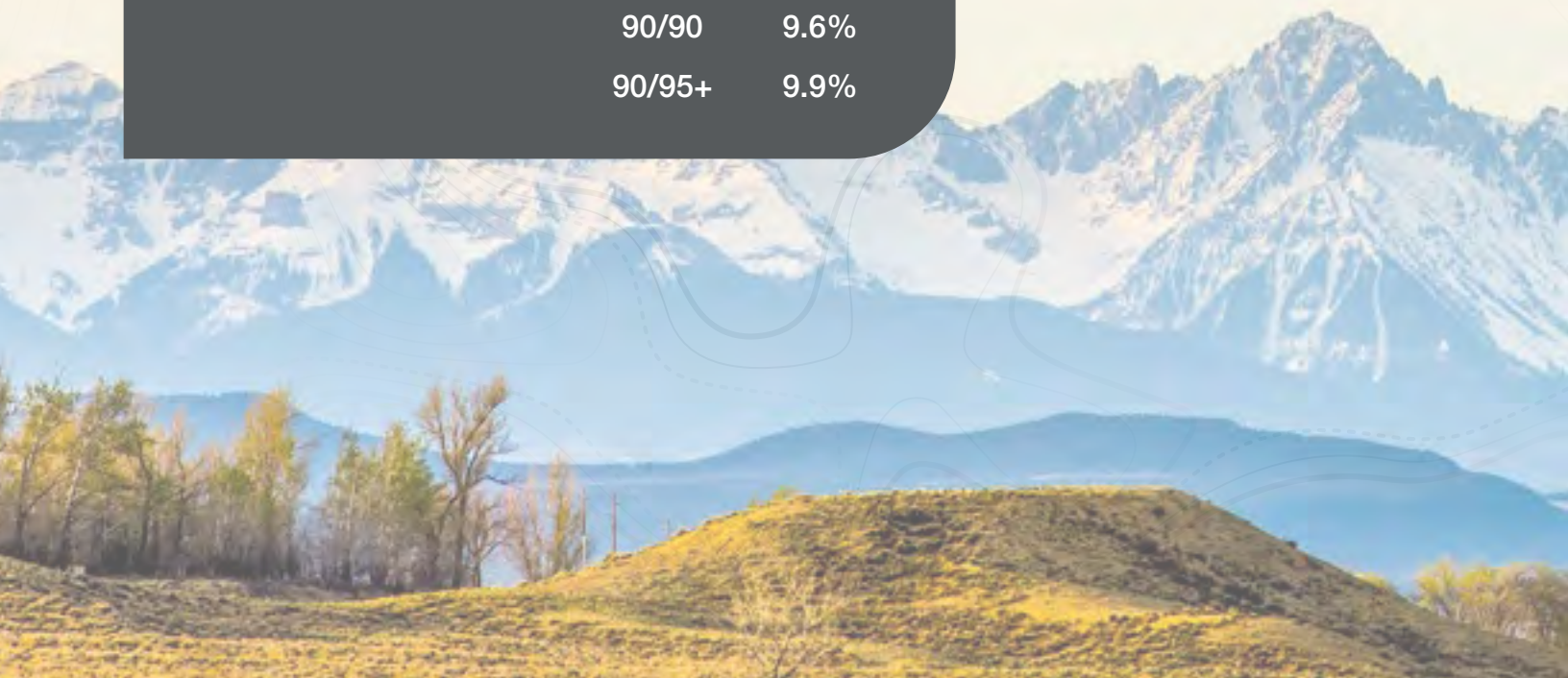
ONE LIFE

Age	Rate
65	5.7%
70	6.3%
75	7.0%
80	8.1%
85	9.1%
90+	10.1%

Rates are subject to change. Please contact us for a personalized illustration. If you reside in New York, please contact us directly as your rates may vary slightly.

TWO LIVES

Ages	Rate
65/65	5.0%
65/70	5.2%
70/70	5.5%
70/75	5.8%
75/75	6.2%
75/80	6.5%
80/80	6.9%
80/85	7.3%
85/85	8.1%
85/90	8.7%
90/90	9.6%
90/95+	9.9%





FREQUENTLY ASKED QUESTIONS

Q. How much will the gift annuity pay me?
A: The annual rate of your payment is based on your age at the time of the gift. The older you are, the higher the gift annuity amount. Rates are subject to change; please contact us for current rates.

Q. How often will I receive payments?
A: You can choose from quarterly, semiannual or annual payment options.

Q. Do I receive an income tax deduction?
A: It depends. If you fund your gift annuity with cash or securities, you qualify for a partial income tax deduction in the year of your gift. If you use a one-time qualified charitable distribution from your IRA to fund a charitable gift annuity, there is no charitable deduction because the funds were not previously subject to income tax and the annuity payments you receive will be taxed as regular income.

Q. How are my gift annuity payments taxed?
A: For gifts funded with cash, a portion of your payment is treated as a return of principal and is therefore income tax free throughout your estimated life expectancy. The balance is taxed as ordinary income.

Using other assets is encouraged and will change the taxation of your payment. Please reach out to us for a custom illustration.

Q. Who benefits from a gift annuity?
A: You do, no matter how you fund it. If you wish to add your spouse, you can use cash, securities or IRA assets. If you wish to add a different loved one, such as a sibling or parent, you may only use cash or securities to fund your gift annuity. Then, after all annuitants' lifetimes, the remainder of your gift benefits CU.

EXAMPLE: Jim creates a gift to CU that generates income for retirement.

Jim, 78, would like to increase his retirement income and make a gift to CU. He transfers $25,000 cash in exchange for a gift annuity. Based on his age, he will receive a payment rate of 7.6% per year.

Does he receive an income tax deduction?
Yes. He qualifies for an income tax charitable deduction of $10,969* in his 24% federal income tax bracket, which represents $2,633 in tax savings.

How are Jim's gift annuity payments taxed?
Jim's payments total $1,900 each year and are taxed as follows:

$1,336	**Income tax free portion**
+ $564	**Taxed as ordinary income**
= $1,900	**Total payment**

Q. What's the best way to fund my gift annuity?
A: You have options. If you fund it with cash or securities, you obtain tax-favored lifetime payments. Part of your payments are income tax free throughout your estimated life expectancy. You also receive an income tax deduction when you itemize. Another bonus of using appreciated securities to fund your gift is the opportunity to reduce capital gains tax in most cases. If you are 70½ or older and wish to use IRA assets instead, you'll avoid the traditional tax hit that occurs when you take a distribution. Current law allows for a one-time election of up to $55,000 in calendar year 2026 and is indexed for inflation in subsequent years.

Q. What is the minimum to fund a gift annuity?
A: The minimum gift is $25,000 and the minimum age at which payments can commence is 65.

Q. What is a deferred charitable gift annuity?
A: This gift offers the same benefits of simplicity, security and attractive income taxation as a regular gift annuity, but because the payments are deferred, a higher income rate is possible. Additionally, it may qualify you for a larger charitable income tax deduction.

Q. What about a flexible deferred charitable gift annuity?
A: A flexible deferred charitable gift annuity offers a range of payment start dates. The payments must be deferred by a minimum of one year, but the length of deferral in excess of one year is your choice. The amount of charitable deduction you may claim depends on the length of the initial deferral period, and a longer initial deferral period will result in a larger charitable deduction.

Disclaimer:
California residents: *Annuities are subject to regulation by the State of California. Payments under such agreements, however, are not protected or otherwise guaranteed by any government agency or the California Life and Health Insurance Guarantee Association.*
Oklahoma residents: *A charitable gift annuity is not regulated by the Oklahoma Insurance Department and is not protected by a guaranty association affiliated with the Oklahoma Insurance Department.*
South Dakota residents: *Charitable gift annuities are not regulated by and are not under the jurisdiction of the South Dakota Division of Insurance.*

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Charitable Remainder Trusts

Create income now, support CU later.

If you would like to impact the University of Colorado while receiving income for life or for a fixed number of years, a charitable remainder trust may help you fulfill your personal goals, increase your loved ones' financial security and make a significant impact at CU.

These types of gifts may offer you tax benefits and the option for income. There are two ways to receive payments, each with its own benefits:

- **An annuity trust** pays you, each year, the same dollar amount you chose at the start. Your payments stay the same, regardless of fluctuations in trust investments.
- **A unitrust** pays you, each year, a variable amount based on a fixed percentage of the fair market value of the trust assets. The amount of your payments is redetermined annually. If the value of the trust increases, so do your payments. If the value decreases, however, so will your payments.

HOW IT WORKS:



1. **You establish a trust with the University of Colorado Foundation with a gift of $100,000 or more in cash or other assets. If you are 70½ or older, you may also fund this gift with a qualified charitable distribution from your IRA.***



2. **The University of Colorado Foundation will sell any non-cash assets and act as trustee, managing the trust and ongoing administrative responsibilities.**



3. **You or your beneficiaries receive payments for life (beneficiaries must be age 60 or older), or for a term of up to 20 years. Payments will vary based on the performance of the investments held in the trust and are based on a rate agreed upon when the trust is created. The statutory minimum of 5 percent is our most used rate.**



4. **If you donate appreciated securities to the trust, those assets can be sold and the full amount reinvested without incurring capital gains tax at the time of the transfer. You can also take an immediate tax deduction for a portion of your gift. You may add to your trust at any time with additional gifts of cash, marketable securities or real estate.**



5. **When the trust terminates—either at the death of the last beneficiary or at the end of the trust term—the remaining balance will transfer to CU.**

** Both spouses would need to contribute the annual limit in order to meet our minimum threshold for establishing a charitable remainder trust ($100,000).*

Charitable Remainder Annuity Trust or Unitrust

Gift Plan	Charitable Remainder Annuity Trust	Charitable Remainder Unitrust
Payments	You receive fixed income for life or a term of years.	You receive variable income (based on the trust's value each year) for a lifetime or a term of years.
Donor Profile	• Owns highly appreciated, low-yielding or low-basis assets. • Seeks additional fixed income and diversification of assets.	• Owns highly appreciated, low-yielding or low-basis assets. • Seeks additional income and diversification of assets. • Likes the flexibility of adding additional assets over time. • Wants to retain the power to add or remove charitable beneficiaries.
Features	• Fixed income • Partial income tax deduction • No up-front capital gains tax on transfer of assets • Significant gift to CU in the future	• Variable income • Partial income tax deduction • No up-front capital gains tax on transfer of assets • Allows additional gifts • Significant gift to CU in the future
Funding	Cash or securities, typically $100,000 or more	Cash, securities or other assets, typically $100,000 or more

EXAMPLE: Susan creates a charitable remainder unitrust.

Susan, 75, wants to make a gift to CU but would also like more income in the future. She creates a charitable remainder unitrust with annual lifetime payments to her equal to 5% of the fair market value of the trust assets as revalued annually. She funds the trust with assets valued at $500,000.

Susan receives $25,000 from the trust in the first year. Subsequent payment amounts vary each year depending on the annual valuations of the trust assets. Susan is eligible for a federal income tax charitable deduction of $290,360* in the year she creates and funds the trust. This deduction saves $92,915 in her 32% tax bracket.

**Based on a 5.2% charitable midterm federal rate. Deductions and calculations will vary depending on your personal circumstances.*

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