

Gift Planning Guide

Charitable Giving
and Estate Planning

Michigan Tech
Create the Future

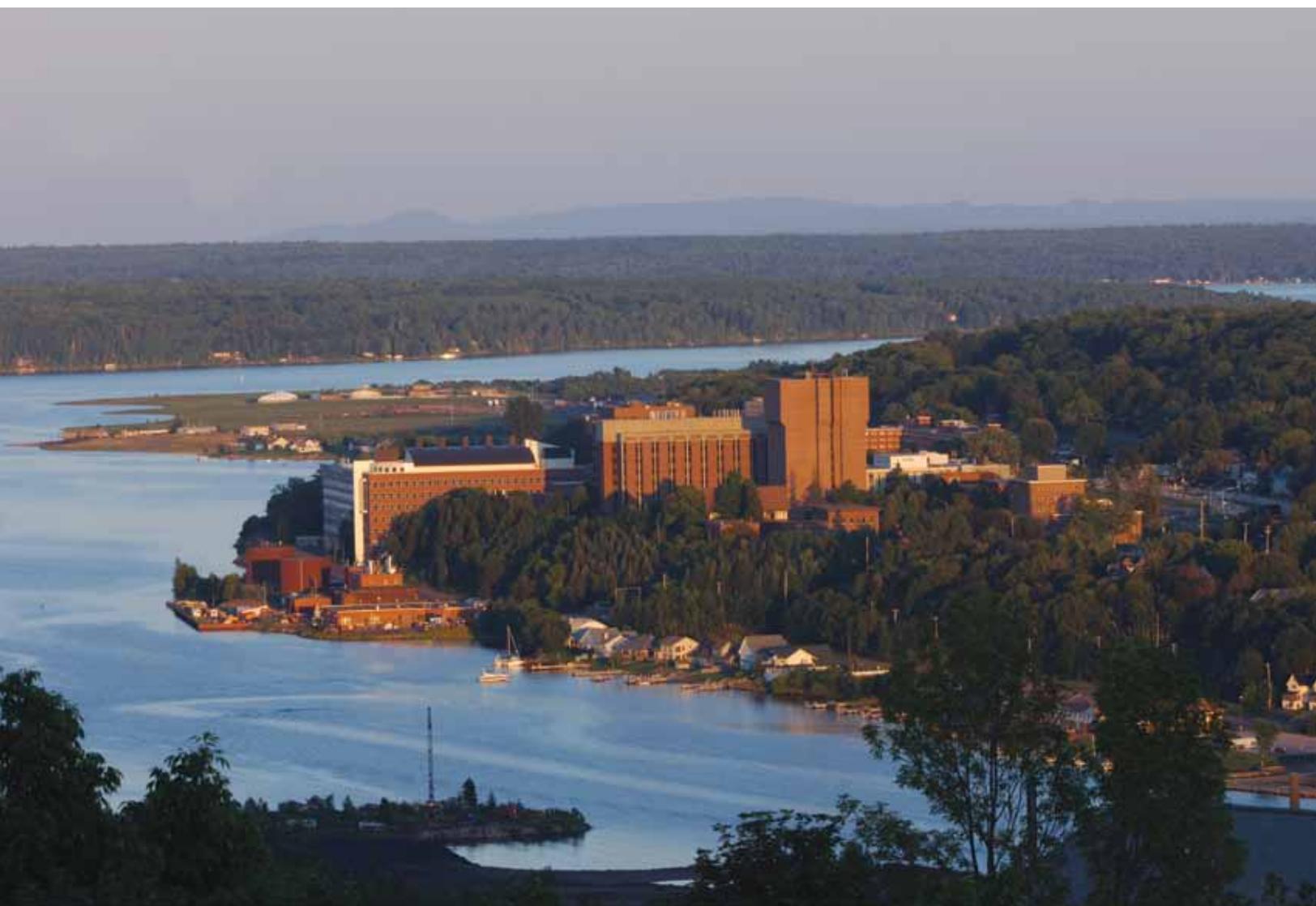






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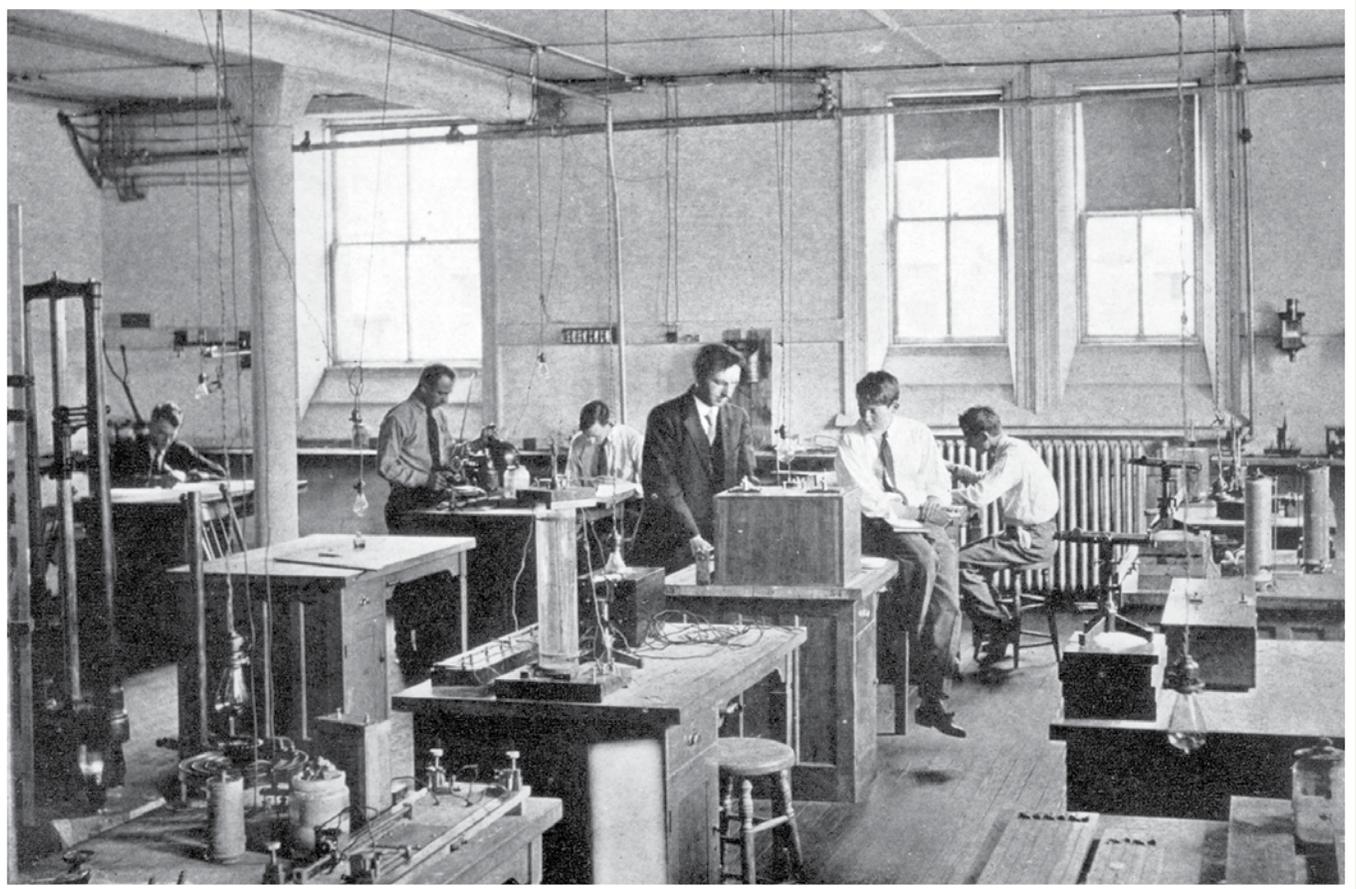
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Hands-on learning has always been a hallmark of Michigan Tech. Above, a physics lab from Tech's early days.



About us

Michigan Technological University

Michigan Tech was founded in 1885 as the Michigan Mining School, specializing in training for mining engineers. The institution, officially now known as Michigan Technological University, has grown into a leading public research university and a key educational partner within the state of Michigan, the nation, and beyond.

Michigan Tech is on a trajectory to become, as our vision states, a premier technological research university of international stature, delivering education, new knowledge, and innovation for the needs of our world.

We prepare students to create the future by delivering a distinctive, discovery-based learning experience in engineering; forest resources; computing; technology; business; economics; natural, physical, and environmental sciences; mathematics; arts; humanities; and social sciences.

Michigan Tech Fund

The Michigan Tech Fund is a nonprofit, tax-exempt corporation established in 1965 under the laws of the State of Michigan. Existing solely for the benefit of Michigan Technological University and its students, the Michigan Tech Fund receives, invests, and disburses gifts for Michigan Technological University's goals and needs.



Frank Pavlis '38 learned the value of a global perspective during his years as Air Products and Chemicals' vice president for international/world trade. He tailored his gift to provide Michigan Tech students specialized learning opportunities in leadership and global culture. The result is the highly successful Pavlis Institute for Global Technological Leadership.



Gift Planning

Giving wisely done



Michigan Tech sustains high-quality educational programs because of the generosity of alumni and friends. Although Michigan Technological University is a public institution, it receives only about one-fourth of its funding from state appropriations. Support from private donors benefits students, faculty, and programs in many essential ways:

- A strong endowment attracts the top faculty members needed for Michigan Tech to be one of the world's premier technological research universities.
- Scholarships and fellowships attract top students and allow them to better concentrate on their studies.
- Research fosters innovation that promotes sustainable economic and social development in Michigan, the nation, and the world.
- Capital projects ensure that our students and faculty have the first-rate facilities and cutting-edge technology needed for great ideas and great solutions.
- Unrestricted gifts provide crucial, flexible resources that allow the University to respond to today's greatest needs.

Gifts of all sizes are deeply appreciated. There are many ways to accomplish these gifts, and one of the most effective means is a planned gift through the Michigan Tech Fund.

A planned gift enables you to assist Michigan Tech in its mission of preparing students to create the future—while also allowing you to take maximum advantage of federal tax laws to accomplish your financial and charitable goals.



The generosity of alumni and friends can enhance the educational experience for thousands of Michigan Tech students. Here, civil and environmental engineering majors study together in the Lee and Arleta Bernson Student Success Center, made possible by a gift from Lee Bernson '65 and his wife.



Gift Planning Options

Designing a gift that fits your needs and goals



Gift planning is the process of carefully selecting the best method and the best asset for making a gift. A planned gift enables you to assist Michigan Technological University and also reduce your tax burden.

The Michigan Tech Fund offers a wide variety of giving vehicles, which fall into three categories:

- Outright gifts that you can see being utilized by Michigan Tech during your lifetime;
- Deferred gifts that you arrange now but are not distributed for Michigan Tech's use until after your lifetime; and
- Life income gifts that ensure a stream of payments, either fixed or variable, to you for life before the funds are made available for Michigan Tech's use.

Selecting the best gift plan depends on your financial situation, your assets, and your goals. We invite you to review the charts on pages 10–11 to find the gift plan that will best benefit you and your family as well as Michigan Tech. Additional details about the various gift plans can be found on the pages noted under each gift type.

Are you looking for ideas? Then we encourage you to read the stories in this guide about alumni and friends who worked with Michigan Tech staff members to achieve their financial and charitable goals.

Our Office of Major Gifts and Gift Planning will be happy to provide you and your professional advisors with additional information, including personalized illustrations, to help guide you through the options described here. For contact information, see the inside back cover.

Choosing a Gift Plan to Fit Your Goals

OUTRIGHT GIFTS—Impact Michigan Tech now

Gift Type	How to Make the Gift	Your Benefits
Cash (page 15)	Write a check to the Michigan Tech Fund or charge a credit card	<ul style="list-style-type: none"> • Simplest way to give • Immediate income tax deduction
Pledge (page 15)	Sign a statement of your intention to complete a gift to the Michigan Tech Fund over a period of up to five years	<ul style="list-style-type: none"> • Ability to make a more significant gift than otherwise possible • Income tax deductions when pledge payments made
Appreciated securities (page 17)	Transfer stocks, bonds, or mutual fund shares to the Michigan Tech Fund	<ul style="list-style-type: none"> • Immediate income tax deduction • Avoidance of capital gains tax
Real estate (page 31)	Deed property to the Michigan Tech Fund	<ul style="list-style-type: none"> • Immediate income tax deduction • Avoidance of capital gains tax
Bargain sale (page 31)	Sell property to the Michigan Tech Fund for less than its market value	<ul style="list-style-type: none"> • Immediate income tax deduction for value of property exceeding sale price • Avoidance of capital gains tax on value of property exceeding sale price
Personal property (page 32)	Transfer equipment, minerals, or other tangible property to the Michigan Tech Fund	<ul style="list-style-type: none"> • Immediate income tax deduction (based on gift value if University-related use; limited to cost basis if unrelated use) • Avoidance of capital gains tax
Charitable lead trust (page 32)	Transfer assets to a trust that makes gift payments to the Michigan Tech Fund for a term of years	<ul style="list-style-type: none"> • No estate or gift taxes on growth of assets during term of trust • Retention of property in family, often with reduced estate or gift taxes

DEFERRED GIFTS—Benefit Michigan Tech later

Gift Type	How to Make the Gift	Your Benefits
Bequest in a will or trust (page 19)	Provide in your will or living trust for a gift to be made to the Michigan Tech Fund after your lifetime	<ul style="list-style-type: none"> • No impact on assets during lifetime • Potential estate tax reduction
Retirement plan assets (page 21)	Name the Michigan Tech Fund as a beneficiary of your IRA, 401(k), or other qualified pension or profit-sharing plan	<ul style="list-style-type: none"> • No impact on assets during lifetime • Potential estate and income tax reductions to heirs
Life estate gift (page 31)	Transfer property by deed to the Michigan Tech Fund but retain use of the property for life	<ul style="list-style-type: none"> • Immediate income tax deduction based on current value of property • Avoidance of capital gains and estate taxes
Life insurance (page 33)	Name the Michigan Tech Fund as the owner and beneficiary of an existing or a new policy	<ul style="list-style-type: none"> • Immediate income tax deduction for cash value of existing policy • Income tax deductions for premiums paid by you on existing or new policies

LIFE INCOME GIFTS—Make a gift that pays you income

Gift Type	How to Make the Gift	Your Benefits
Charitable gift annuity (page 25)	Transfer assets to the Michigan Tech Fund which makes fixed payments to you for life that begin immediately	<ul style="list-style-type: none"> • Fixed income for life • Immediate income tax deduction • Partial tax-free income • Partial avoidance of capital gains tax on gifts of appreciated assets • Removal of assets from taxable estate
Deferred charitable gift annuity (page 27)	Transfer assets to the Michigan Tech Fund which makes fixed payments to you for life that begin at a future date selected by you	<ul style="list-style-type: none"> • Fixed income for life beginning at set date • Immediate income tax deduction • Partial tax-free income • Partial avoidance of capital gains tax on gifts of appreciated assets • Removal of assets from taxable estate
Charitable remainder unitrust (page 29)	Transfer assets to a bank or trust company to fund a charitable trust which makes variable income payments to you for life or a term of years	<ul style="list-style-type: none"> • Variable income for life or term of trust • Immediate income tax deduction • Avoidance of capital gains tax on gifts of appreciated assets • Removal of assets from taxable estate
Charitable remainder annuity trust (page 29)	Transfer assets to a bank or trust company to fund a charitable trust which makes fixed income payments to you for life or a term of years	<ul style="list-style-type: none"> • Fixed income for life or term of trust • Immediate income tax deduction • Avoidance of capital gains tax on gifts of appreciated assets • Removal of assets from taxable estate
Pooled income fund (page 33)	Transfer assets to the Michigan Tech Fund's pooled income fund which makes variable payments to you for life	<ul style="list-style-type: none"> • Variable income for life • Immediate income tax deduction • Avoidance of capital gains tax on gifts of appreciated assets • Removal of assets from taxable estate

ENDOWMENT GIFTS—Create your lasting legacy

Use any combination of outright, deferred, and life income gifts to establish a named endowed fund that will provide a perpetual stream of income to the Tech program of your choice. The size of the University's overall endowment is perhaps the single most important factor in our ability to accomplish our goals and vision (page 13).



ohn '64 '69 and Cathi Drake

John and Cathi Drake have endowed a professorship in their name within the Department of Mechanical Engineering–Engineering Mechanics. They provide for a \$1 million endowment through their will; in the meantime, they support the position with annual gifts to fund research by the Drake Professor.

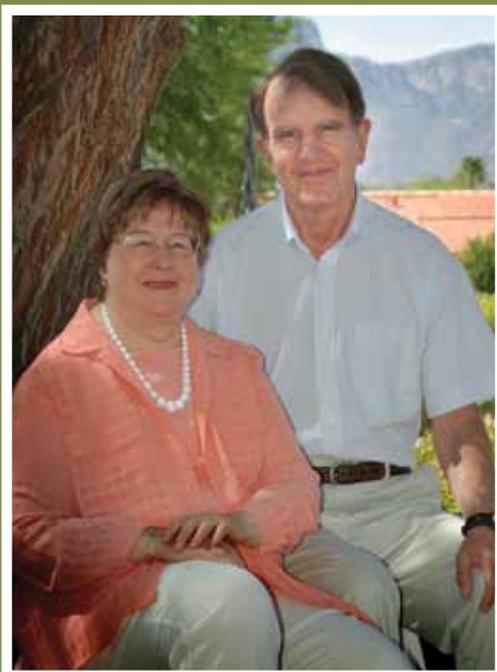
John earned a bachelor's degree in mechanical engineering in 1964 and a master's in business administration in 1969. "Nobody was better prepared to understand and solve problems than Tech grads were," he says. "We competed with engineers from around the world and beat them to a standstill."

The couple founded Drake Manufacturing Services in Warren, Ohio, in 1972. The firm specializes in computer-controlled industrial equipment. "I had the self-confidence that was needed to survive the ups and downs of a technology-based start-up," he says. Cathi managed the front office and helped maintain communications with employees. "She was a big help in hard times because she was seeing the problems first-hand," he recalls.

Their management team bought the business from John and Cathi in 2007, and the ME-EM endowment was established later that year. "It was time to give back," Drake says.

"We gave our two daughters strong values and the wings to fly on their own," he says. "Fortunately for us, they are both enjoying successful careers, leaving some room in our estate plan to think of others."

The Drakes' stewardship for Michigan Tech is based on trust as well as loyalty. "As a donor, you need to believe it's all worthwhile," he says. "We are comfortable with Tech's mission and vision. That makes it easy for us to support the school, and since Tech played such a big role in our success, it is a no-brainer to help the new generation."



arbara and Paul Horton '69

Calumet native Barb (Herveat) Horton has always dreamed of helping children, especially children who can't imagine a college education in their future.

She made her dream a reality by creating Lighthouse Learners, an active program for children in the Public Schools of Calumet, Laurium, and Keweenaw. Starting in middle school, the program will give children role models, mentors, and after-school and summer activities to motivate them to pursue a higher education. These activities include spiritual and character development and service projects. Full scholarships to Michigan Tech eliminate the financial hurdle standing between Lighthouse Learners and college.

To ensure the program's longevity, Barb established a Michigan Tech endowment and provided for its base funding through her trust. Wanting to see Lighthouse Learners in action, she and her husband, Paul, an electrical engineering graduate of Michigan Tech, are funding the program annually and invite others to help support its growth and success.

"There are a lot of children who have the ability to go to college but don't have the opportunity," she says. "I want to give these kids the vision that they can do it."

Horton lived out such a vision herself. She worked her way through college and enjoyed a successful career at D&N Savings Bank, culminating as senior vice president for operations. After leaving the bank, she started a consulting firm and was then hired by one of her client companies, which was later purchased by biomedical engineering giant Medtronic.

After retiring, she created the Lighthouse Learners™ Scholarship Program with help from Paul and the University's development team.

"You can't help but be impressed with what Michigan Tech is doing," she says. "I chose Tech because of its programs and long history of graduates who do great things."

Thanks to the Hortons' endowment, far into the future there will be more Tech graduates doing great things they never imagined.

Endowments

Gifts to Michigan Tech that keep on giving



Michigan Tech Fund endowments are gift funds set aside to provide a perpetual flow of income. The funds are invested for long-term stability and growth. With the goal of guarding against inflation, only a portion of the income is used to support the purpose of the endowment.

You can designate the endowment for scholarships, fellowships, a faculty position, a specific program, or the unrestricted use of Michigan Tech to help meet its greatest needs. The endowment can be established in your name, the name of a loved one, or a family name. Or, it can be named after a person of wide influence at the University, such as a well-loved professor, to encourage support from other Michigan Tech alumni.

A named endowment can be created with a minimum of \$25,000 through outright gifts, deferred gifts, life income gifts, or a combination of such gifts.

Benefits of endowment gifts

- Continue a favorite program in your name long into the future, or create a lasting tribute to a loved one
- Provide financial stability for Michigan Tech
- Receive tax benefits based on the types of gifts used to fund the endowment



Robert and Ruth Nara

If Bob and Ruth Nara were to craft a mission statement, it would read, “Leave the world a better place.”

The Bootjack couple practice what they call catalyst philanthropy, gifts that inspire other gifts. One of the most famous of their projects is the Nara Nature Park, where visitors enjoy boardwalks around the Pilgrim River, trails up through the woods, and bridges over creeks.

“After a lifetime of paying taxes, we devised a concept that we, in effect, tax the government to fund our hobbies,” Bob Nara says. “We donated a valuable piece of real estate to the City of Houghton for parks and recreation purposes.”

Then, they helped get grants to fund skiing and hiking trails as well as a chalet on the property. They provided a cash gift to the University to expand the Tech Trails to the park, creating a fifty-mile network of trails for year-round use.

The Naras support Michigan Tech in other ways. A gift-in-kind helps to document the region’s past: Nara’s grandfather was a well-known local photographer, and the family has donated many of his images to the Michigan Tech Archives and Copper Country Historical Collections. Bob and Ruth then funded scanning equipment so the archives can make its images available via the web. They also are donating their proceeds from the sale of a book of J. W. Nara’s photos to the Tech archives.

In addition, they initiated semiannual luncheons at which Michigan Tech’s president updates local community leaders on the University’s progress and plans. If unable to line up a sponsor for the luncheon, they have paid the cost themselves.

To the Naras, paying it forward is a way of life.

“Leave a legacy that will keep on living and keep on giving,” Bob says. “How can you beat a hobby like that?”



James '67 and Dolores Trethewey

Jim Trethewey’s business degree launched a forty-year career in the mining industry, first with Copper Range at White Pine and then thirty-five years at Cleveland-Cliffs, now Cliffs Natural Resources. He rose to serve as senior vice president–business development, retiring in 2007. For over ten years, he and his wife, Dee, have given back to Tech by supporting annual scholarships as well as building two endowed funds, which will eventually fund the scholarships.

They chose to fund their scholarships with cash, as it’s an easy way to give, and the students benefit directly. Cleveland-Cliffs’ matching gift program increases the impact of their support. And, by allowing the Applied Portfolio Management Program to manage their funds, the Tretheweys give hands-on investment experience to business students.

They hear from the student recipients every year. “It’s nice to know our scholarships are appreciated,” Jim says.

“We don’t attach any grade criteria to the scholarships,” he adds. “And they are not necessarily need-based, but we do target both high school and junior college students from Gogebic County, since the area is somewhat depressed.”

Trethewey had initially focused on technical courses at Tech and took accounting as an elective. After he earned an A, Professor Sam Tidwell convinced him to pursue accounting professionally. Jim credits both his technical and business courses with providing a foundation for his success. “When you have the opportunity to attend a great school, the benefits stay with you forever,” he says. “Dee and I believe in giving back, and soon after I was inducted into the first class of the Academy of Business, we decided to help Tech students receive an education.”

Jim also serves on the National Advisory Board for the School of Business and Economics and on the Michigan Tech Fund Board of Trustees. His gifts of both time and funding are well placed, he says. “We feel the University is focused on improving education, and it has never faltered.”

Cash Gifts

Immediate results in a convenient way



The simplest and most frequently used method of providing outright support for Michigan Tech is a cash gift—whether personal check, credit card authorization, money order, or bank draft—made payable to the Michigan Tech Fund.

Not only Michigan Tech, but you, too, may benefit from such gifts. Charitable deductions on your federal income taxes may allow you to reduce the out-of-pocket cost of your gift.

Example: You want to make a cash gift of \$1,000 to the Michigan Tech Fund. If you are in the 35 percent tax bracket, you may be able to reduce the federal income tax you pay by \$350 (\$1,000 times 35 percent). This means your net out-of-pocket cost for donating \$1,000 is only \$650. If you itemize deductions on your federal tax return, an outright gift of cash can be claimed as a charitable contribution up to an amount equal to 50 percent of your adjusted gross income. Any deduction not usable in the first year can be carried over for up to five additional years or until it is completely used, whichever is first.

The State of Michigan allows special tax treatment for contributions by state residents to the Michigan Tech Fund. The allowable tax credit is 50 percent of the gift, not to exceed \$200 for a return filed jointly and \$100 for a single return. This tax credit is available whether or not you itemize deductions on your federal return.

A pledge may enable you to support Michigan Tech in a more substantial way than you might otherwise think possible. By signing a statement of your intention to make a gift over a period of up to five years, you not only can accomplish more with your gift but you also would receive immediate credit for the entire pledge amount for purposes of Michigan Tech's honor societies.

Benefits of cash gifts

- Simple to make
- Immediate income tax deduction may reduce the net cost of your gift
- Immediate impact on the Michigan Tech program of your choice



*R*udolph '62 '63 and Judy Shunta

"Normally, Judy and I prefer to keep our charitable activities, if not anonymous, certainly low key," says Rudy Shunta. "We like to help out where we can, but the magnitude of our donations certainly doesn't put us at the philanthropist level." Nevertheless, the Shuntas agreed to "go public" to encourage others. "We wanted to share our belief that it is everyone's responsibility to pass along their good fortune to those who follow them," he says.

Shunta paid his way through Michigan Tech in a multitude of ways. His parents helped, his uncle arranged for a summer job, and he received several minor scholarships. "I also had a fellowship as well as a teaching assistantship and a counselor assignment in Wadsworth Hall," he says.

With this help, Rudy earned a BS in Mechanical Engineering in 1962 followed by an MS in Engineering Mechanics a year later. Those degrees contributed to a successful career at General Motors and later at Dana Corporation's Perfect Circle Sealed Power Division, where he was vice president/general manager.

After Shunta retired, he and his wife began donating appreciated securities to fund the Rudy and Judy Shunta Endowed Scholarship, which supports undergraduate mechanical engineering students.

"I've always been interested in investing, and over the years, I've bought stock that has appreciated quite a bit," Rudy says. "By giving it to Michigan Tech, you don't have to pay capital gains, and the University receives the full value."

"We are hoping that those who benefit from this scholarship will someday feel the responsibility to do the same as we have done. Good fortune is only a loan," he says. "Pass it on."



*D*aniel '57 and Karen Somes

Dan Somes and his wife, Karen, were among the lucky few who bought Microsoft stock early on, and they chose to share their good fortune. "We had quite a large profit," he says, "so we took advantage of the tax laws and created a scholarship."

With a gift of appreciated securities, they created the Daniel E. and Karen A. Somes Endowed Scholarship. It primarily benefits graduates of Sault High School, in Sault Ste. Marie, Michigan, who are coming to Tech to study engineering.

Somes, himself a graduate of Sault High, was the first in his family to attend college. He enrolled first at Tech's Sault Ste. Marie branch campus and then came to Houghton to complete his chemical engineering degree. "I worked all the hours I could," he remembers. "You could do that back then and have enough to go to school. Our tuition was \$90 my first year at the Sault branch."

Shortly after graduating from Tech in 1957, Somes began his career in a chemical plant that produced soda ash. He was transferred to a new cement plant built in 1962 and spent the remainder of his career in the cement and construction materials business. He retired in 1994 as president and chief operating officer of Medusa Corporation, a manufacturer of cement and related products.

"I don't think I really appreciated my experience at Tech until I got out into the real world, and then I realized how important it was to my success," he says. "It put me a step ahead of other employees and resulted in me getting several early promotions."

By setting up an endowed scholarship, the Somes family hopes to provide similar opportunities to other young people for years to come. "We wanted to help give students in Sault Ste. Marie a chance for the same great education that I received at Tech."

Gifts of Appreciated Securities

Impact Michigan Tech now with tax savings for you



Gifts of marketable stocks, bonds, or mutual fund shares that have appreciated in value can have an immediate impact on your favorite Michigan Tech program—and also create an immediate income tax deduction for you based on the current value of the donated securities. And, because there is no capital gains tax when you make the gift, you save on taxes twice.

The best method of transferring stocks, bonds, or mutual fund shares to the Michigan Tech Fund depends on how they are held by you. Please contact the Office of Gift Planning to discuss the easiest method of transferring assets. Selling the assets and then making a gift of the proceeds may trigger a capital gains liability for you.

If you itemize deductions on your federal tax return, an outright gift of appreciated securities held more than one year can be claimed as a charitable contribution, currently up to an amount equal to 30 percent of your adjusted gross income. Any deduction not usable in the first year can be carried over for up to five additional years or until it is completely used, whichever is first.

In addition, there may be special financial and tax benefits with a carefully planned gift of closely held stock. Please contact the Office of Gift Planning for more information on such gifts.

Benefits of gifts of appreciated securities held for more than one year

- Immediate income tax deduction for current market value of securities
- Additional tax savings, by avoiding capital gains tax, compared to cash gifts
- Immediate impact on the Michigan Tech program of your choice



*M*ark '77, Connie, and Shirley Lentz

Mark and Connie Lentz's decision to support Michigan Tech actually began with Mark's father, Dean, Class of '53.

"I knew I wanted to go to an engineering school," Mark recalls, "and after looking at three Wisconsin schools, my dad asked, 'Did you ever consider Michigan Tech?'"

Although Dean never pushed his alma mater on his son, he did refer to it fondly and often. Dean and his wife, Shirley, married between Dean's junior and senior years at Tech. While Dean finished his electrical engineering degree, they survived in the old, cold Quonset huts for married students.

Mark says that his father was passionate about giving, and often said, "Always support and give back to your family, your community, and your profession." Giving back to Michigan Tech was a way of giving back to his profession.

After Dean passed away, Shirley continued his tradition of giving to Tech. She is supporting the Class of 1953 Scholarship Fund with a bequest "in accordance with my father's desire to give back to the University," Mark says.

Mark, a civil engineering graduate, and his wife, Connie, have followed suit with a living trust bequest to create endowments for the Department of Civil and Environmental Engineering and Tech's precollege outreach programs.

"We worked hard for our money, and we want to make a difference," Mark says. "Fifty percent of our estate will go to Tech because we want to support future generations of Tech students."

The decision to look at trusts also had to do with his stage in life. "I've been with the City of Fond du Lac for twenty-nine years," he says, "advancing to the position of public works director. It was time I started looking into estate planning, now that I am closer to retirement."

Mark credits the Tech Development staff with helping them make their decision, so they can make a difference in people's lives.



*E*d Frayer

As a former dean of the School of Forest Resources and Environmental Science, Ed Frayer wants to provide benefits to education long into the future. With endowed scholarships, he is doing just that.

When he retired from Tech, Frayer's financial advisor suggested he purchase a pension, but he didn't want to draw down his principal, choosing instead to "live on less than the income from it" if he could.

"I did set up a deferred annuity with Michigan Tech to begin with," he says, "to provide some steady retirement income during the ups and downs of equity investment returns and to later help forestry students. I'd given previously to the forestry building addition." As Frayer continued his estate planning, he substantially increased his commitment to Tech with a trust bequest. He likes the fact that he can use the funds during his lifetime if necessary and is happy knowing that the remaining trust assets someday will significantly benefit Tech's students.

There have been bumps along the way. His TIAA-CREF annuity wasn't paying out as well as it used to, his stocks weren't doing well ("like everybody else's"), and some real estate investments near his home base in Lady Lake, Florida, have also faltered.

"A tornado in February of 2003 came within a half mile of our house, too," he says, appreciating the good fortune of the close call.

Overall, he demonstrates his commitment to education by teaching algebra and statistics at Central Florida Community College and also teaching seashell identification in his Florida living community.

And, of course, he supports education in his contributions to Michigan Tech.

"I want to provide educational support that will last over time," Ed says. "I know the students will use it and appreciate it."

Bequests in a Will or Trust

Leave a legacy without affecting your current assets



rawing up a will can be the first step toward a wise financial plan for you and your family as well as for the organizations you support. A valid will allows you—not your state law—to determine the distribution of your assets upon your death. Whether you want to provide for a spouse, children, or charitable organizations, your will should be prepared with the help of an attorney and reviewed regularly.

A bequest through a will or a revocable living trust is the most popular and flexible way of making a deferred gift to the Michigan Tech Fund. It is a simple way to make a future gift while retaining control over your property during your lifetime.

Over the years, Michigan Tech has received bequests of all sizes. Such gifts do not need to be large to have a lasting impact on students, faculty, and programs. For example, a bequest of \$25,000 may provide perpetual support equivalent to \$1,000 per year, using the Michigan Tech Fund's current endowment payout rate of 4 percent.

Benefits of bequests in a will or trust

- Simple way to make a future gift to the Michigan Tech program of your choice
- No impact on the assets during your lifetime
- Potential reduction of estate taxes

Kinds of bequests

Specific bequests designate a specific dollar amount or specific assets, such as securities or real estate, to the Michigan Tech Fund.

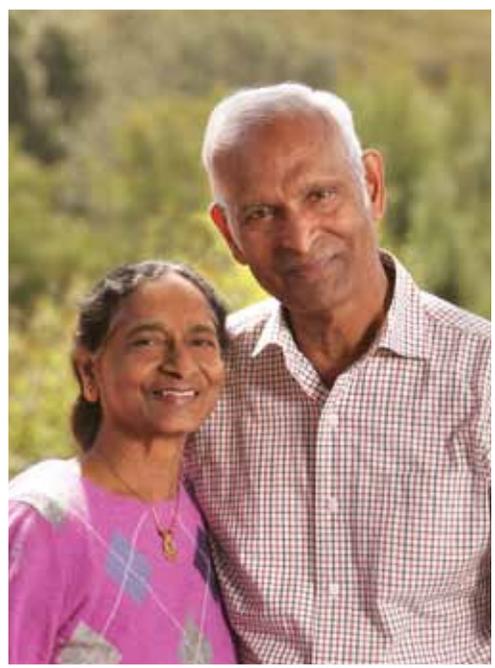
Residuary bequests designate all or a percentage of your estate remaining after all debts, taxes, expenses, and specific bequests have been paid. The advantage of this type of bequest is that it automatically adjusts in size as your estate increases or decreases over the years.

Contingent bequests benefit Michigan Tech only if your primary beneficiaries predecease you.

All three types of bequests can be either unrestricted (allowing Michigan Tech to use your gift to meet its greatest needs) or restricted (designated to benefit a specific department or program). To guard against the possibility of the purpose of your gift becoming obsolete, we recommend that restricted bequests be made in the broadest terms possible.

Suggested language for a will or trust bequest

I give to the Michigan Tech Fund, a Michigan nonprofit corporation of Houghton, Michigan,
_____ [dollar amount OR percentage of the residue of my estate OR description of property]
for its unrestricted use and purpose [OR for the benefit of _____ department/program].



Damoder '62 and Soumitri Reddy

Damoder “Pati” Reddy understands better than most the value of education. It was education, made possible by his family’s sacrifices and his own hard work, that took him from a poor village in India to a successful career in California. He also credits his wife, Soumitri, for supporting him.

After earning a bachelor’s degree in India, Reddy came to Michigan Tech. “My father wasn’t rich; he had to scrape and borrow for me to come here,” he says.

Reddy received an MS in Civil Engineering in 1962 and then a PhD from Northwestern University. He returned to Tech to teach until 1969, when he moved to the Los Angeles area to work for Agbabian Associates, a firm that designed structures to withstand earthquakes and nuclear blasts.

Pati scaled back to part-time work in 1986 to manage their investments and in 1990 retired completely. He has structured some of their retirement assets, including an IRA, to benefit Michigan Tech. He says, “An IRA is a smart way to help Tech since it’s such a highly taxed asset if given to heirs.”

He has also made Tech the sole beneficiary of a whole life insurance policy. And he has two other policies designated primarily for their heirs. Should there be a claim, however, a portion would support two endowed funds established in his and Soumitri’s name: a fellowship and a scholarship benefiting students in the Department of Civil and Environmental Engineering.

In addition, the Reddy family makes annual gifts to provide current scholarships and fellowships and to build their endowments.

“I am very fortunate to have gone to Michigan Tech; it gave me a leg up,” says Reddy. “All I have accomplished is due in part to Michigan Tech, so I feel that I have to give back as much as possible.”



Richard '50 and Nancy Witte

Dick and Nancy Witte have used their retirement assets to leverage their gifts to Michigan Tech, an opportunity he describes in simple terms: “nice.”

The Wittes have used the federal IRA charitable rollover opportunity to provide several tax-free donations to the University. They also have named Michigan Tech as a beneficiary in their estate plans. Dick likes that their bequest will reduce potential estate taxes and yet allows them full access to their assets during their lifetimes.

The Department of Materials Science and Engineering has been the greatest beneficiary of the Wittes’ outright giving. Their estate giving, however, is currently unrestricted. “I don’t tell them how to use it,” he says. “They will know what the needs are.”

Dick earned his BS in Metallurgical Engineering in 1950 and then did a three-year stint in the navy before attending law school at Indiana University. With both a JD and an engineering degree, he had ideal credentials for patent work, and in 1956 joined Procter & Gamble as a patent attorney. He retired in 1992 as vice president and chief patent counsel worldwide, after gaining international stature in his field.

Michigan Tech is very special to Dick, who fondly recalls his days as editor of the *Keweenawan* and friendships made through his involvement in Blue Key and Theta Tau activities. He says, “My time at Tech was extremely rewarding. Nancy and I want others to have the same experience.”

Witte once remarked that the University did him a favor by admitting him as an out-of-state applicant. If that is true, he has more than returned the favor, not only through their many years of giving but also as an example of what can be built upon a Tech education.

Retirement Plan Assets

A future gift to Michigan Tech with two-fold tax savings



After providing for yourself and your family, a gift to the Michigan Tech Fund of retirement plan assets can be a very tax-effective way to support Michigan Tech. By designating the Michigan Tech Fund to receive any remaining assets of your traditional IRA, 401(k), or other qualified pension or profit-sharing plans, you retain complete access to the assets during your lifetime. Any gifts that later come to Michigan Tech can be deducted from your taxable estate, possibly saving your heirs from significant estate and income taxes.

Your pension plan administrator or financial institution can provide you with the necessary form to designate the Michigan Tech Fund as a beneficiary.

If you are considering a gift of retirement assets, please contact the Office of Gift Planning. Our staff will describe the tax savings for you and your family; we also look forward to hearing what you wish to accomplish with your gift and helping you make it a reality.

Benefits of gifts of retirement plan assets

- Gift made from most highly taxed assets, leaving more for your family
- Potential reduction of estate and income taxes
- No impact on the assets during your lifetime
- Simple way to make a future gift to the Michigan Tech program of your choice



George and Barbara Butvilas

Back when Michigan Tech President Glenn Mroz was dean of the School of Forest Resources and Environmental Science, he approached George Butvilas for help.

“Glenn asked me to reorganize the School’s advisory board and spell out its functions and duties,” says Butvilas. “Then he asked me to stay on as chair.”

In bank leadership positions most of his career, George also has taught organizational behavior and presided over the Michigan Tech Fund Board of Trustees. There was just one small void in his resume.

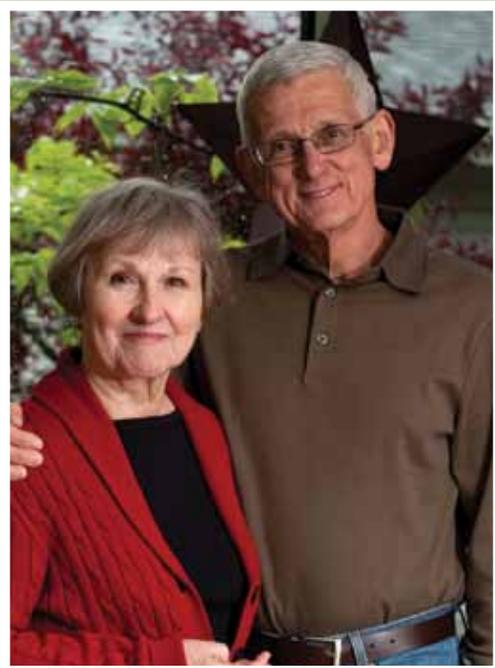
“When I explained that I didn’t know anything about forestry, Glenn gave me two or three books and said, ‘Read these; you’ll become a forester.’”

Thus, a banker with a degree in mechanical engineering began a total immersion course in forest science, traveling with faculty members to Europe as they conducted their research. “I learned a lot about sustainable forestry, but the biggest part of my education was about environmentalism. You think of people who are ecologically conscious as having long beards and strumming guitars. Instead it’s science meshing with the modern world, making sure you renew what you take.”

Shortly thereafter, George and his wife, Barbara, were asked to make a major gift to the University. “I was prepared to throw out an amount, and the development officer quadrupled that,” Butvilas remembers. “I swallowed hard. But given how much I believe in Tech, Barbara and I decided to belly up and do it.”

The Butvilases chose a charitable gift annuity for several reasons. “We received a nice income tax deduction, Barbara and I get lifetime payments, and then the forestry school gets the funds,” he explains.

Their annual giving is being directed to several Tech programs, but the specific use of their annuity funds by the School is deliberately open-ended. “We trust them to use it for the best possible purposes,” Butvilas says.



William '62 and Kay Kern

Michigan Tech gave Bill Kern a chance that he parlayed into a successful and satisfying career as a research scientist. Now, he hopes to give similar opportunities to today’s students.

“I was grateful to be able to go to Tech,” says Bill, who earned a BS in Chemical Engineering. “I didn’t come out of high school with an astounding grade point average, and at another time, I might not have been able to get in.” But he was admitted, after spending a year boning up on math in junior college.

“It wasn’t easy for me,” Kern recalls. “But I had a roommate who was compatible, and we spent a lot of time studying.” That studying, and countless hours in the unit operations lab under the famously demanding Dr. Bredekamp, laid a foundation for his career.

“After graduation, I got a job at Firestone, which was acquired twenty-five years later by Bridgestone,” says Bill. “I enjoyed my career there; it was a bigger version of the unit operations lab.”

Attending college in the 1960s, says Kern, was “ridiculously inexpensive compared to now. My family was able to support me. I don’t know if I’d have been able to make it if I’d had to do it myself.”

Scholarships are usually available for the best scholars, and sometimes not enough money is left to support students like himself, says Bill. So he and his wife, Kay, established a charitable gift annuity that provides revenue to them during their lifetimes and then reverts to the University, where it will fund the William J. and Kay A. Kern Annual Scholarship. “We wanted to make more support available for someone without the greatest academic credentials,” he explains. “It’s a way of saying thank you.”

Life Income Gifts

Convert assets to income for you and Michigan Tech

A stylized white letter 'I' is centered within a dark green square. The letter has a slightly irregular, hand-drawn appearance with a small gap at the top and bottom.

Imagine you are an apple grower who wants to make a charitable gift. After considering many possibilities, you come up with the perfect plan: you will donate your apple orchard, but continue to receive the apples that grow on those trees throughout your lifetime.

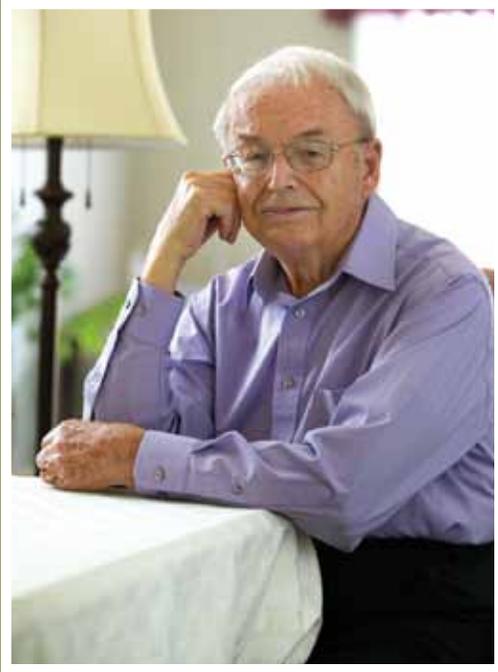
That is a life income gift—an effective way to contribute assets to the Michigan Tech Fund while still keeping an income for yourself and others. The Michigan Tech Fund offers a full range of life income gifts. Selecting the best option depends on your age, assets, and income objectives. There are three basic types of life income gifts:

- Charitable Gift Annuities (pages 25 and 27)
- Charitable Remainder Trusts (page 29)
- Pooled Income Fund (page 33)

Life income gifts can be structured in different ways to meet your financial and charitable goals. Selecting the form that is best for you requires careful consideration with your professional advisors. Our Office of Gift Planning staff can provide you and your professional advisors with additional information, including personalized illustrations showing how the various life income gift options can work for you.

Benefits of life income gifts

- Immediate income tax deduction
- Potential avoidance of capital gains tax on gifts of appreciated assets
- Potential increase of current income by converting low-yielding assets
- Way to diversify large holdings of assets
- Removal of assets from your taxable estate
- Professional management of trust assets
- Future funding for the Michigan Tech program of your choice



*K*enneth Larm '50

Ken Larm, a civil engineering graduate and veteran of the Korean War, retired as a cost estimator and process engineer for the Crown Group Inc., Miller Metal Products Division, in Grand Rapids, Michigan.

A long-standing annual supporter of Tech, Ken's reason for helping Tech is clear. "It's important for the United States to stay in step with the world today regarding education," he says. "Our country's need for highly educated people keeps increasing, and we need to remain at the leading edge."

Larm decided to supplement his annual Michigan Tech support with planned gifts, beginning with a charitable gift annuity in 2001. Since then, he also has included a bequest for Tech in his trust and has funded a second gift annuity with the Michigan Tech Fund using "good, old-fashioned" savings bonds. His giving has focused on biological sciences, civil and environmental engineering, and biomedical engineering.

Ken's support of Tech meshes with his concern for K-12 school districts, especially those in Michigan. "A lot of districts are not up to their potential, and it will take a lot of effort to get them back on track," he says. "Tech can help, not only through outreach but also by providing top-quality teachers with a solid foundation in math and the sciences."

He sees the charitable gift annuities that he has funded as a "very easy and practical way to provide this support," taking into consideration the tax benefits and the lifelong income stream they provide.



*D*onald '63 and Joyce Lehman

Don Lehman came to Michigan Tech in 1959 to get an education and play football. He did both, earning MVP honors in 1962 and graduating in 1963 with a bachelor's in civil engineering.

He says football, for which he earned a scholarship, taught him dedication and leadership. As for civil engineering, he liked the fact that he could get his hands around it. "I couldn't see electricity," he says, "but I could see that steel and concrete."

After graduating, Don worked for thirty-two years at General Motors, retiring as assistant superintendent of maintenance and plant engineering at the Buick Motor Division in Flint.

He and his wife, Joyce, have established several charitable gift annuities, which provide retirement income and tax deductions for them and will later help Michigan Tech. They also plan to fund gift annuities with deferred payments for their two sons to supplement their income at retirement age.

While their annual giving largely supports Tech's football program, most of the couple's annuities will fund the Don and Joyce Lehman Endowed Scholarship for undergraduates who major in civil engineering and play football.

Lehman attributes their financial plan to Tech's Eric Halonen, who, he says, generated the idea, provided the research, and helped them work out a plan when they wanted to begin diversifying their appreciated assets. "He continues to keep me informed and gives me good ideas."

"Tech provided an education that helped provide my family a good living. Without scholarships and financial help, I would never have made it. My support now is like repaying a debt."

Charitable Gift Annuities

An easy way to give and receive a fixed income

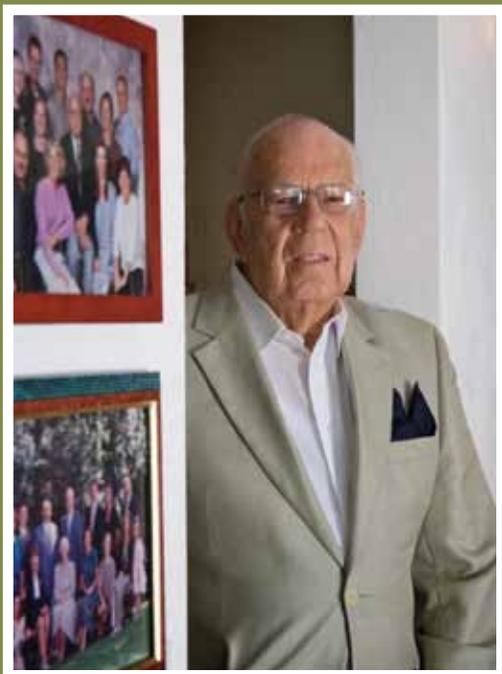


A charitable gift annuity is a contract between you and the Michigan Tech Fund. In exchange for your irrevocable gift of cash, securities, or real estate, the Michigan Tech Fund contractually agrees to pay a fixed sum each year for the lifetime of the one or two annuitants named by you. The older your designated annuitants are at the time of the gift, the greater will be the fixed income that the Michigan Tech Fund can agree to pay. Payments are made in quarterly or annual installments.

You can establish a charitable gift annuity with the Michigan Tech Fund with a gift of \$10,000 or more. Your annuitants must be at least 60 years of age when payments begin. Regulations on charitable gift annuities may vary by state of residence, and they may not be available in all states.

Benefits of charitable gift annuities

- Simplest way to gain fixed income for life
- Immediate income tax deduction
- Partial tax-free income
- Partial avoidance of capital gains tax on gifts of appreciated assets
- Removal of assets from your taxable estate
- Potential increase of current income by converting low-yielding assets
- Future funding for the Michigan Tech program of your choice



*E*dwinn Johnson '47

Edwin “Ned” Johnson “wants to stay close to what’s worthwhile,” and that includes his family, friends, and his alma mater.

Johnson’s college education was sidetracked by World War II and a stint as a POW. He came back to Michigan Tech on the GI Bill, earning his bachelor’s degree in metallurgical and materials engineering in 1947. Currently, the retired president of Cleveland-Cliffs (now Cliffs Natural Resources) lives in Florida but summers in the Upper Peninsula, visiting family, Tech, and “getting together with the old Cliffs gang once a month in Ishpeming.”

Along with his many years of annual giving, he supports Michigan Tech through deferred charitable gift annuities. He also stays connected to Tech through the University’s estate planning seminars and alumni events.

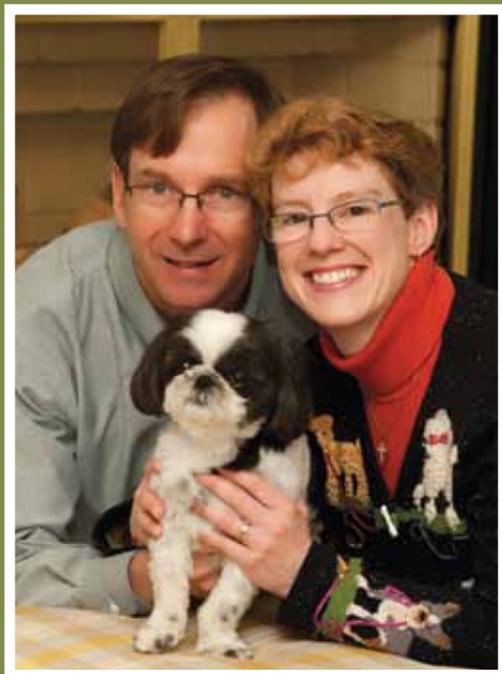
“I do what I can,” Ned says. “I can’t say enough about Tech. You get a great education at a reasonable cost, compared to many other schools. And, with the gift annuities, I can accomplish two of my goals, helping my kids during their retirement years and supporting the University.”

Talking to a group of Tech students some years ago, he recalled telling them that he “went to Tech BC: before computers, before calculators, before coeds.” Johnson appreciates the new Michigan Tech, too, and likes the direction the University is taking.

“They’ve added so many more advanced programs,” he says. “And there are a lot of good people up there.”

Hence Ned’s steadfast support over the years, including contributions to an endowed scholarship fund in his and his late wife Lois’s name, Huskies athletics, and an American Institute of Mining Education scholarship.

“I’m thankful for my Tech education,” Johnson says. “And I’m glad I can give something back.”



*D*avid '82 and Joy McBride

Dave McBride recognized instantly that Michigan Tech would be a good fit. “When I went to Tech, I knew right off the bat it was the place for me,” he remembers.

McBride aimed to own his own construction company and majored in business administration. That also turned out to be a good fit. After graduating in 1982, he started up McBride Construction in Petoskey and has been in business ever since.

“My business education gives me a huge advantage,” he says. “Tech gave me the tools I needed to succeed. I got a tremendous value for my education dollar, and now I want others to have that opportunity.”

Dave and his wife, Joy, became annual donors just two years after he graduated. While still in their forties, they established two deferred-payment charitable gift annuities. “We wanted to make gifts that would significantly benefit Michigan Tech and at the same time have the flexibility to receive income from them,” says McBride. “It was a conservative way for us to make substantial gifts.”

Some donations were appreciated securities. “It’s an excellent way to give,” he says. “I would highly recommend it.”

He credits Tech’s Development staff for opening their eyes to the benefits of giving. “Tech held an estate planning seminar that was hugely beneficial,” he said. “We were able to develop an estate plan in mid-career.”

The McBrides have enjoyed the emotional rewards of giving. “The business was successful, and we just felt it was the right time to support things that were important to us.”

“I’m very blessed to have found Michigan Tech and gone to school there,” Dave says. “It’s been a wonderful foundation for my life.”

Deferred Charitable Gift Annuities

Boost future income with immediate tax savings



deferred charitable gift annuity is basically the same as a standard charitable gift annuity with the exception that you choose to wait for the first annuity payment, rather than having your payments begin immediately.

At the time you enter into a deferred charitable gift annuity contract with the Michigan Tech Fund, you irrevocably transfer the gift assets and receive an immediate income tax deduction, but you set a future date for the annuity payments to begin. You also have the option to wait to make a final decision on the start date for the payments. In either case, the longer the period that your annuity payments are deferred, the greater will be the fixed income that the Michigan Tech Fund can agree to pay.

As with an immediate-payment gift annuity, you may establish a deferred-payment gift annuity with the Michigan Tech Fund with a gift of \$10,000 or more. Your annuitants must be at least 60 years of age when payments begin.

A deferred charitable gift annuity can be the solution if you need tax relief now but want to defer the income for retirement, you want to support Michigan Tech but fear you may need the cash flow in the future, or you want to provide for the future of your children.

Benefits of deferred charitable gift annuities

- Simple way to receive future fixed income for you or a loved one
- Immediate income tax deduction
- Partial tax-free income
- Partial avoidance of capital gains tax on gifts of appreciated assets
- Removal of assets from your taxable estate
- Future funding for the Michigan Tech program of your choice
- Effective way for young donors to provide for their retirement and Michigan Tech's future



John '67 '76 and Joan Calder

Years ago, John Calder set an optimistic goal for himself. "I wanted to give Tech \$1 million," he says. "When I decided to do that, it seemed like an insurmountable mountain." Now he is scaling the peak.

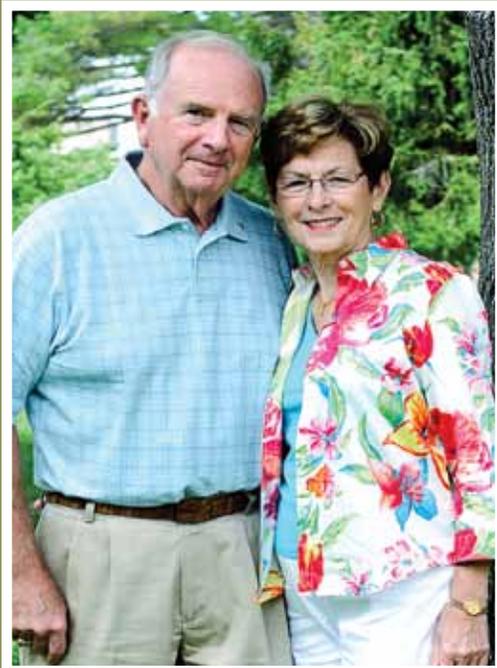
Calder earned a BS in Mechanical Engineering in 1967 and an MS in Business Administration in 1976, both from Tech. Now CEO of Cincinnati Controls, he has a talent for buying struggling businesses and turning them around. So, when the time came to sell one, he was faced with paying capital gains on \$300,000. "I wanted to ensure that my wife, Joan, would be taken care of if something happened to me," he says. "At the same time, I wanted to help Michigan Tech."

The solution was a charitable remainder unitrust, or CRUT, which allows the Calders to avoid capital gains taxes. "It will give Joan funding to live on, and when we are both gone, the principal goes to Michigan Tech," says John. They also give through a universal life insurance policy and are longtime annual supporters.

Along with supporting other University programs, they have established the Calder Systems and Controls Laboratory in the Department of Mechanical Engineering–Engineering Mechanics, which provides hands-on training in electrical controls. John credits that kind of practical preparation for launching his career and enabling their generosity. "When I graduated from Tech," he says, "I could walk out onto the factory floor with a screwdriver and an oscilloscope and make things work."

Now, they are looking at expanding their philanthropy by endowing an assistant or associate professorship for \$500,000. "We'd like to support new faculty members who are just starting out," he says.

With this new gift, the Calders will be underwriting research and undergraduate education at Tech, two missions John sees as intertwined. "I view research as an addition to undergraduate education," he says. "We need both."



Joseph '59 and Jane Warren

Joe Warren remembers Professor Bredekamp's class as if it were yesterday, but that's to be expected, he says. "Anybody who had Bredekamp remembers." The chemical engineering professor was lord of the unit operations lab, where seniors routinely worked from dawn till midnight.

"He taught us the practical side of chemical engineering," Warren says. "If we could satisfy Bredekamp, we could satisfy any boss."

Warren began to apply those lessons immediately upon graduation, when he went to work at 3M. He rose through the ranks, eventually serving as vice president responsible for the Imaging Systems Group.

Now retired, Joe and his wife, Jane, are giving to Tech annually and also through a charitable remainder trust. "It's a straightforward and easy way to make a gift," Warren says. "I think some part of everyone's estate should go to a good cause. Why give it to the government? You receive income from the trust and get a tax advantage as well. It makes a lot of economic sense."

They donate to Michigan Tech in part because the University did so much for him. "And I recognize that the state doesn't fund universities at near the level as when I went to school.

"The other underlying reason is that, from my years at 3M, I'm confident that Tech graduates will do a good job," Warren says. "Tech has always been a special place. It produces grads who are immediately productive. Our country needs outstanding college grads who are practical and able to solve problems."

He proudly adds that one of their grandsons currently attends Michigan Tech.

Charitable Remainder Trusts

A flexible way to give and receive income



A charitable remainder trust allows you to provide income for one or more beneficiaries for a term of years or for the lifetime of the beneficiaries. When the trust's term ends or the last income beneficiary dies, the remaining assets in the trust are given to the Michigan Tech Fund for the purpose designated by you.

You will need to establish a charitable remainder trust with an outside party, such as a bank trust department. However, our Office of Gift Planning will be happy to assist you in the process. To create a charitable remainder trust, you place assets into the irrevocable trust, and the trustee invests the assets, which can grow tax-free. Depending on the type of trust you choose, you can use a variety of assets including cash, publicly traded stocks, mutual funds or bonds, closely held stock, or real estate.

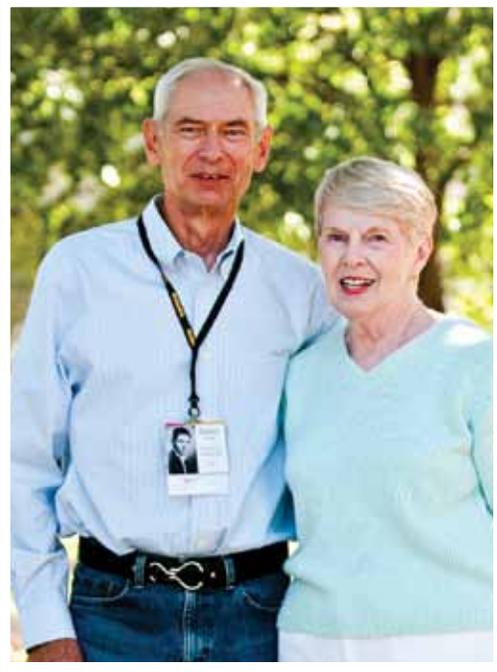
There are two basic types of charitable remainder trusts:

- A charitable remainder unitrust provides a payment based on a percentage (minimum of 5 percent by law) of the fair market value of the trust assets as determined annually. Income payments increase or decrease with the changing value of the trust.
- A charitable remainder annuity trust provides a fixed payment amount based on a percentage (minimum of 5 percent by law) of the initial value of the trust assets. The payments stay constant throughout the term of the trust.

The type of charitable remainder trust you choose depends on your personal goals. The unitrust, with its variable payments, may provide a hedge against inflation. The annuity trust may be more appropriate if you prefer the security of a fixed income. Another difference is that the unitrust, unlike an annuity trust, may include a provision to permit additional contributions.

Benefits of charitable remainder trusts

- Income payments for life or term of trust
- Immediate income tax deduction
- Avoidance of capital gains tax on gifts of appreciated assets
- Removal of assets and future appreciation from your taxable estate
- Potential increase of current income by converting low-yielding assets
- Future funding for the Michigan Tech program of your choice



*D*aniel '59 and Carol Rivard

Dan Rivard had a couple of distinguished careers at Ford Motor Company. First, he was the process quality overseer when “quality became job one.” Then, he was called out of retirement to run Ford’s international racing efforts, giving him entree to the pressure-cooker world of NASCAR, Formula 1, Indy cars, and World Cup rallies.

Today, Rivard and his wife are helping Michigan Tech students through the Dan and Carol Rivard Product Realization Center. A gift to the Department of Mechanical Engineering—Engineering Mechanics, the lab allows students to design, model, and fabricate new products, so they can gain practical experience in all phases of engineering.

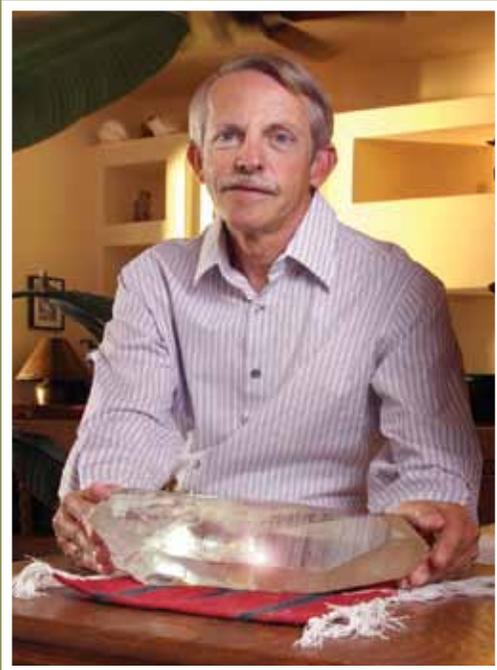
Dan credited in part legendary professor Aubrey Gibson for this inspiration and department chair Bill Predebon for the opportunity. “Gib had said that our labs had drifted from ‘hands-on’ to ‘the care and feeding of PCs,’” Rivard says. “When we dedicated the lab, Gib was there, and I asked him if the new lab would get us back to our future; he just smiled and chuckled.”

The Rivards’ decision to support an entire laboratory was executed via a gift-planning vehicle called a “bargain sale.”

“We had twenty-two acres with lakefront that had appreciated significantly, and we sold the parcel to Michigan Tech for well below its market value.” The Tech Fund was able to sell the land at a substantial net gain, and the Rivards also were able to show a profit on their investment.

Their donation is helping other students shape their future, just as Rivard’s Tech education launched his own extraordinary career. “I thought I was growing up to be a carpenter,” Dan says, recalling that he was the first in his family to attend college, graduating with a mechanical engineering degree.

He has become a builder, of course, constructing a great life, both personally and professionally, while supporting Michigan Tech in appreciation for the valuable “toolbox” it gave him along the way.



*W*illiam Shelton

A longtime friendship founded on a love of minerals has borne significant rewards for the Seaman Mineral Museum.

George Robinson, currently curator and professor at the Seaman, first met Bill Shelton at the Rochester Mineral Symposium in upstate New York more than forty years ago, when they both were purchasing specimens. The two men hit it off, and when Shelton retired, he used his energies to help improve the Michigan Tech mineral collection.

“Bill has focused on helping us obtain minerals appropriate for our collection,” Robinson says. “He has contributed many from Russia, which we didn’t have. We now can claim an excellent collection from Russia and the former Soviet states, especially Kazakhstan, and it’s continuing to grow.”

He has even helped the Seaman expand its formidable copper collection. “Although the Keweenaw copper deposits are unique, Russia and Kazakhstan have individual crystallized copper specimens that are similar to ours,” Robinson says. “They have calcite and datolite, too, but they are very different from ours since they are from different kinds of deposits.”

Shelton occasionally travels to Houghton to see for himself just what the museum needs. He is also Michigan Tech’s eyes and ears in Tucson, Arizona, site of the world’s largest gem, mineral, and fossil show.

“Bill monitors dealers’ stock as it arrives,” Robinson says, “and asks them to put aside specimens of potential interest for us.”

Shelton plans to continue to help the museum with acquisitions well into the future, by leaving his extensive mineral collection to Michigan Tech, along with a gift of cash, through his will.

Gifts of Real Estate

Convert your property to its full potential



s with gifts of appreciated stock, a gift of real estate to the Michigan Tech Fund can benefit both you and Michigan Tech. There are a number of ways to make a gift of your personal residence, vacation home, farm, timberland, or other property:

- You may make an outright gift of real estate. By converting it into immediate support for Michigan Tech, you will receive the maximum income tax deduction and freedom from further concern about the management or sale of your property.
- You may convert your real estate into a new stream of income for yourself or others by using it to establish a life income gift (see page 23).
- You may give your real estate to Michigan Tech while continuing to enjoy it. Called a life estate gift, you make an irrevocable gift now and realize an immediate income tax deduction, yet retain the right to use the property for as long as you wish. Real estate taxes, maintenance, and insurance remain your responsibility.

Gifts of real estate typically require the donor to arrange and pay for a qualified appraisal no more than 60 days before the gift date. To assess its potential benefit to Michigan Tech, every gift of real estate is carefully evaluated before it is accepted.

Benefits of real estate gifts

- Immediate income tax deduction based on current fair market value of property
- Avoidance of capital gains tax on gifts of appreciated real estate
- Significant support for the Michigan Tech program of your choice

Bargain Sale Gifts

A gift with a return for Michigan Tech and you



a bargain sale gift is basically a sale of property to the Michigan Tech Fund for less than its fair market value. The advantage of such a gift is that you receive an income tax deduction on the difference between the property's true value and the price paid by the Michigan Tech Fund. This can be an effective way to dispose of appreciated property on which you otherwise would owe a significant capital gains tax. Because unrestricted funds of

the Michigan Tech Fund are used, a bargain sale is most appropriate when the property is desired by Michigan Tech or easily converted into cash through a sale.

Benefits of bargain sale gifts

- Immediate income tax deduction for value of property exceeding sale price
- Avoidance of capital gains tax on value of property exceeding sale price
- Significant support for Michigan Tech and cash back to you

Gifts of Personal Property

A unique way to support Michigan Tech's mission



You may make a gift of equipment, minerals, or other tangible personal property that represents a significant acquisition to Michigan Tech or an addition to its existing collections.

For you to receive the most favorable tax treatment for your gift, the items must be related to Michigan Tech's mission. Generally, this includes items that can be used to further the University's teaching, research, and service activities rather than items that must be sold after they are donated.

Please contact our Office of Gift Planning for information on appraisal requirements and other details.

Benefits of gifts of personal property

- Preservation of your valuable collection while supporting Michigan Tech's mission
- Potential income tax deduction to reduce the net cost of your gift
- Avoidance of capital gains tax on gifts of appreciated property

Charitable Lead Trusts

Support Michigan Tech now with a future return to your heirs



A charitable lead trust can be an effective way to transfer assets to children or other loved ones at a significantly reduced tax liability. The lead trust makes gift payments to the Michigan Tech Fund for a number of years. After the trust ends, the assets in the trust are either returned to you or passed on to your heirs. If the assets are to be returned to you,

you receive an income tax deduction when the trust is created, but you continue to be taxed on the income earned by the trust each year. If the assets are to be distributed to your heirs, applicable estate or gift taxes on the value of the gift are reduced or even possibly eliminated.

The tax savings from a charitable lead trust may allow you to provide significant support to Michigan Tech at little or no cost to your heirs in terms of their ultimate inheritance.

Benefits of gifts from charitable lead trusts

- Immediate impact on the Michigan Tech program of your choice
- No estate or gift taxes on growth of assets during term of lead trust
- Way to transfer property to heirs with reduced estate or gift taxes

Gifts of Life Insurance

A significant gift with a modest investment



You can make a gift of life insurance to the Michigan Tech Fund with either an existing policy, a paid-up policy, or a new policy. By naming the Michigan Tech Fund as owner and beneficiary, you receive an immediate income tax deduction for an existing policy and/or deductions for continuing annual premiums on an existing or a new policy. You also can designate the Michigan Tech Fund as beneficiary (or successor beneficiary) of a single, term, or group life insurance policy, although there are no current income tax benefits.

When donating life insurance, you may designate how the eventual proceeds of the policy are to be used by Michigan Tech. Please contact our Office of Gift Planning to discuss how to structure your life insurance gift for maximum benefit and impact.

Benefits of life insurance gifts

- Potential income tax deductions
- Simple to make
- Future funding for the Michigan Tech program of your choice

Pooled Income Fund

Receive an income by pooling your gift with others



In the Michigan Tech Fund's pooled income fund, your irrevocable gift is invested or "pooled" along with gifts from other Michigan Tech alumni and friends. Each quarter, you receive your share of the entire pooled income fund's interest and dividends. Upon the deaths of up to two income beneficiaries selected by you, your share of the pool is used to benefit Michigan Tech.

The Michigan Tech Fund's pooled income fund is invested prudently with the goal of achieving both an attractive return and safety of principal. Income from the fund varies depending on changing economic conditions. You can join the pool with a minimum initial gift of \$10,000 and can make additional gifts of \$5,000 or more. The income beneficiaries you select should be at least 60 years of age.

Benefits of pooled income fund gifts

- Simplest way to gain variable income for life
- Immediate income tax deduction
- Avoidance of capital gains tax on gifts of appreciated assets
- Removal of assets from your taxable estate
- Potential increase of current income by converting low-yielding assets
- Future funding for the Michigan Tech program of your choice

Donor Recognition



Michigan Technological University and the Michigan Tech Fund offer a number of honor societies to recognize alumni and friends whose support helps maintain the University's tradition of excellence. We are truly grateful for each gift that supports Michigan Tech's mission of preparing students to create the future.

McNair Society

The McNair Society recognizes those who provide for the future of Michigan Tech through a bequest or a planned gift. Our estate giving society is named for Fred McNair, who served as Michigan Tech's president from 1899 until 1924. No minimum amount is required to join the McNair Society. You automatically qualify for membership when you notify our Office of Gift Planning that you have included the Michigan Tech Fund in your estate plans.

Lifetime Giving Societies

The societies named below recognize those who give cash, securities, gifts-in-kind, or irrevocable planned gifts at the following lifetime levels:

\$10,000–\$24,999	Presidents Society
\$25,000–\$49,999	Founders Society
\$50,000–\$99,999	Second Century Society
\$100,000–\$249,999	1885 Society
\$250,000–\$499,999	Dillman Society
\$500,000–\$999,999	Hotchkiss Society
\$1,000,000–\$4,999,999	Hubbell Society
\$5,000,000–\$9,999,999	Wadsworth Society
\$10,000,000 and above	Douglass Houghton Society

Annual Giving Clubs

The clubs named below recognize those who give cash, securities, gifts-in-kind, or irrevocable planned gifts at the following annual levels:

\$100–\$249	Professors Club
\$250–\$499	Deans Club
\$500–\$999	Provosts Club
\$1,000–\$2,499	Presidents Club
\$2,500–\$4,999	Trustees Club
\$5,000–\$9,999	Governors Club
\$10,000–\$24,999	Leadership Club
\$25,000 and above	Visionaries Club

Contact Information



Please contact our Office of Major Gifts and Gift Planning for more information about our charitable giving and estate planning opportunities, or if you wish to learn more about making a gift to a particular college, department, or program.

If you wish to speak with a particular staff member, please ask for that person by name. All inquiries will be treated confidentially.

Mail	Office of Major Gifts and Gift Planning Michigan Technological University 1400 Townsend Drive Houghton, MI 49931-1295
Phone	906-487-3325
Fax	906-487-1250
Email	giftplan@mtu.edu
Website	www.mtf.mtu.edu

Legal and Tax Information



While we welcome inquiries and will be happy to assist you and your professional advisors, neither our Office of Major Gifts and Gift Planning nor the Michigan Tech Fund provide professional legal or tax advice. Please consult your own advisors about your specific situation.

Gifts to the Michigan Tech Fund qualify as charitable contributions to an I.R.C. Section 501(c)(3) organization under present law for federal income, estate, and gift tax purposes.

Michigan Tech

Office of Gift Planning
Michigan Technological University