

# PACE ADVISOR

## A GUIDE TO GIFT AND FINANCIAL PLANNING

### From the Editor

Many of us would have had difficulty getting a job, purchasing a home, saving for retirement, and enjoying life without the benefit of a college degree. Some of us needed assistance to pay for this degree. This issue focuses on the most basic, and perhaps the most fulfilling, type of gift—an endowed scholarship fund.

An endowed scholarship fund can ensure future generations of students the opportunity of a Pace education. For some, this provides a way to pay back those who have paved the way to success.



If any of the ideas and planning opportunities presented in this issue of *Pace Advisor* are of interest to you, please contact me. It will be a pleasure to assist you.

Very truly yours,

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**REUNION 2007:  
A Classroom of Memories**

Friday, May 18, 2007  
[www.pace.edu/reunion2007](http://www.pace.edu/reunion2007)

## Invest in the Future with Endowed Scholarship Funds

Pace University has provided *Opportunitas* to thousands of students over the past century. Providing a student-centered education continues to be one of Pace's highest priorities. Due to higher costs, reduced government funding, and increased competition for the best and brightest students, Pace is seeking alternative ways to meet the needs of those students who cannot afford the full cost of a college education. One solution is to endow a scholarship fund.

A named endowed scholarship fund at Pace can be established with a minimum gift of \$25,000. The gift proceeds become part of Pace's endowment; the objective is to grow this all-important pool of money to produce both an income stream in the short-term—this is what funds scholarships each year—and to grow the underlying principal in an effort to ensure these funds keep pace with inflation. Pace's current spending policy is 5% of the three-year average market values, measured quarterly. For a \$50,000 scholarship, approximately \$2,500 would be distributed annually.

So if you decide that you would like to create an endowed fund, what are your options? One possibility is to write a check for that amount—whether at one time or over five years. Another option is to transfer appreciated stock to Pace. This option has two benefits—you do not have to pay tax on the gain (the difference between what you paid and what it is worth today), and you receive credit for the current fair-market value of the stock. Not a bad deal for our tax-savvy donors!

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Creating an endowed fund provides you with two current benefits. First, you receive an income tax deduction for the value of your charitable gift. Second, you can witness the incredible impact of your gift by meeting your recipients at our annual scholarship banquet. Establishing an endowed fund will enable you to experience the positive feelings that transcend tax deductions or recognition.

You may be concerned with your own well-being, and while you would like to assist others, you understandably would not make gifts at the expense of your own personal needs. Perhaps you can benefit from some gift planning.

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**There are ways to create endowed scholarship funds that will ripen into existence at a future time, while enabling you to possibly gain an income tax deduction and/or a lifetime income stream.**

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Some gift-planning options include:

**\*Bequest under a will or trust**—when you no longer need the money, you can help others. You can determine while you are living what type of students you would like to benefit—perhaps ones who will graduate from your campus or who will share your major. You can establish this for a set dollar amount, or simply leave part of your estate to Pace. (See suggested language on page 4 for additional ideas.)

**\*Life insurance policy or retirement plan**—you can designate Pace University as the beneficiary of a life insurance policy you no longer need (or perhaps purchase to create such a fund), a retirement plan, or an IRA.

**Note:** Under the Pension Protection Act of 2006, an additional source of funds—your IRA—has become available for gifts from those age 70½ and older. *Please read the inset below for more information.*

**\*Charitable remainder trust**—enables you to make a gift today, get a tax deduction for the charitable portion, and retain an income (fixed or fluctuating) for your lifetime (or the joint lifetime of you and another person) or for a term of years. Once your income interest terminates, what remains can be used to establish your named endowed scholarship fund.

**\*Charitable gift annuity**—enables you to make a gift today, get a tax deduction for the charitable portion, and retain a fixed income for your lifetime (or the joint lifetime of you and another person). Once the income interest terminates, what remains will be used to establish your endowed scholarship fund.

Some combination of the above techniques would enable you to gain the benefits of each type of gift. For example, if you are age 72, you could access your IRA to establish an endowed scholarship fund, make annual gifts to enhance it each year while you are living, and designate a portion of your estate to provide additional funding at a future time. Such funds have been established at Pace to memorialize a loved one or to create or continue a family legacy at Pace. All of these funds will help students for many years to come.

**The Pension Protection Act of 2006** creates a new gift-planning opportunity. You can make a charitable gift to Pace from your IRA without having the amount included in your adjusted gross income. To qualify for this favorable treatment:

- You must be 70½ years of age or older.
- Transfers must pass directly from your IRA to Pace.
- Gifts cannot exceed \$100,000 per person.
- Gifts must be outright (not to a charitable remainder trust or charitable gift annuity).

This opportunity will expire at the end of 2007. Since nothing is included in income, no charitable income tax deduction can be taken. Please contact us for additional information, and join your colleagues in making a gift today.

## THE 13th ANNUAL EDWARD J. MORTOLA HERITAGE SOCIETY LUNCHEON



*Chair and Mortola Member Sandra Ekberg '58 '71 welcomes everyone to the luncheon.*

Centennial celebrations continued as approximately 80 Mortola Members and guests joined together for this year's luncheon at the Harvard Club. Members and guests enjoyed socializing in a formal anteroom before sitting down to a delicious lunch. After coffee and dessert, President Caputo spoke. Guests celebrated the induction of new members and recognized 10 of the original 30 charter members who were present. University Archivist Ellen Sowchek gave an encore historical presentation at the close of the luncheon.

In this 13th year, 13 new members qualified to be inducted: Aniello A. Bianco, Jacqueline Bianco, Eileen Cannon, Gerard Cannon, Ilse Coe, Thomas F. Delaney, Ronald George, Jodi Goalstone, Karla Jay, MaryAnn McGuinness, Doris S. Mortola, Mavis Rodgers O'Brien, and Hal J. Upbin. We were fortunate to formally induct three of these new members, plus present certificates to current members Shirely Perry and Florence Meisner.

We extend a grateful thanks to our 2006 corporate sponsors: BDO Siedman, LLP, and John Street Florist; and to our individual sponsors: Susan Taxin Baer, Alexandra P. Brovey, Theodore R. Daners, Harry D. Mayo III, and Laura Shields.

The Edward J. Mortola Heritage Society was named in honor of Edward J. Mortola, the fourth President of Pace who served from 1961 – 1984. Approximately 220 Mortola Members affirm their commitment to Pace by including the University in their estate plans (Pace is a beneficiary under their wills, trusts, retirement plans, and life insurance policies), or by establishing a life-income gift (charitable or deferred gift annuity, charitable remainder trust, or pooled income fund). Mortola Members ensure the future of Pace with their gift commitments; many also support present needs by contributing each year to the annual fund.



*Six student ambassadors joined Mortola Members and guests at the luncheon.*



*New Mortola Members enjoyed a few moments in the spotlight.*



*Mortola Members and guests enjoyed the luncheon together at the Harvard Club.*

To enjoy additional photographs of this and prior luncheons, please go to our Web site: [www.pace.edu/PlannedGiving](http://www.pace.edu/PlannedGiving), and click on Edward J. Mortola Heritage Society on the left margin.

## BROWN BAG LUNCH SEMINAR

Our brown bag lunch series continued this past fall with a primer on living wills, health care proxies, and powers of attorney. Sponsored by Susan Taxin Baer, Esq.—a Pace Law alumna and Planned Giving Advisory Board member—the program brought together a group who gathered for lunch and a discussion about these important estate planning tools.

We are planning a fall 2007 seminar in White Plains and additional events in various locations throughout the year. If you have an idea for a topic, please call or e-mail your suggestions to Chantelle Rogers at 212-346-1627 or [crogers@pace.edu](mailto:crogers@pace.edu).



Participants listen and learn at a recent seminar.

## CONSIDER A BEQUEST TO PACE

You can support Pace both now through your annual support and in the future through a bequest in your will or trust. Several ways to make a bequest to Pace are described below, along with suggested wording. Please consult with your attorney to decide which option best suits your individual circumstances.

**Specific bequest:** a gift of a dollar amount or other specified property

*I give to Pace University of New York, N.Y., the sum of \$\_\_\_\_\_ (or other appropriately described property) for the general purposes of Pace University (or for a specific program or fund decided upon in consultation with the University).*

**Residuary bequest:** a gift of all or a portion of your estate after all debts, taxes, expenses, and all other bequests to family and friends have been paid

*I give to Pace University of New York, N.Y., the remainder of my property, real and personal, for the general purposes of Pace University (or a specific program or fund decided upon in consultation with the University).*

**Contingent bequest:** a gift to Pace only if your named beneficiaries die before you do

*If my spouse should predecease me, I give \$\_\_\_\_\_ to Pace University of New York, N.Y., for the general purposes of Pace University (or for a specific program or fund decided upon in consultation with the University).*

Once you make a bequest (or other planned gift) to Pace, you will be invited to join The Edward J. Mortola Heritage Society. Over 220 Pace alumni and friends are members, supporting Pace now and in future years. Please contact us at (212) 346-1356 for more information.

## We Are Here to Help

This issue of *Pace Advisor* has described some ways to establish an endowed scholarship fund at Pace University. Simply return the card, visit our Web site: [www.pace.edu/PlannedGiving](http://www.pace.edu/PlannedGiving), or contact our office at (212) 346-1356 for more information or to discuss your situation.