

SMART WAYS TO  
**Legacy Giving**

## A LETTER FROM Chancellor Sobolik



Dear Friends,

We are reminded of our past accomplishments as we lean into our realized and ambitious goals of building a vibrant and diverse academic community that will become the nation's premier public, urban research university. It is our generous alumni and friends who provide the valuable financial support that allows us to move ever forward in our mission to transform lives and serve the next generation of UMSL students.

This remains our highest priority – to make a transformative education accessible – one that transforms not only individuals, but transforms our region, state, nation and world. Here, we boldly assert that education is for everyone who is willing and able to seek it out.

With this in mind, the University of Missouri–St Louis is setting course toward a reimagined future to serve our university, region and beyond.

Estate and planned gifts will help us serve the next generation of students for the next 60 years and into perpetuity. This type of giving is known as legacy giving and there are many options to consider. We meet donors where they are. Each legacy gift vehicle can match where you are in terms of your philanthropy. There are gifts of real estate, gifts that produce income for you and/or your heirs, and gifts that are as easy as designating UMSL as a beneficiary to an asset. This brochure is your guide to estate and planned giving options that you may wish to consider. It's designed to help increase your understanding of what you might want to do with your legacy.

Thank you for caring deeply about UMSL and joining us as we continue to transform lives and remain a transformational institution for students, their families and the communities we serve.

Warmly and with appreciation,

Kristin Sobolik, PhD  
Chancellor

UNIVERSITY OF MISSOURI–ST. LOUIS

## Make a difference with your gift.

If you have ever said, “I wish I could give more,” a planned gift could be for you – and, in turn – for UMSL.

### Estate or planned gifts offer two distinct advantages:

1. **It can be a larger and more meaningful gift.** Perhaps one that you never felt you could make during your lifetime.
2. **It gives you control to allocate your assets where you want them to go,** which is beneficial to your heirs and to UMSL and is empowering for you.

## UMSL FUNDING

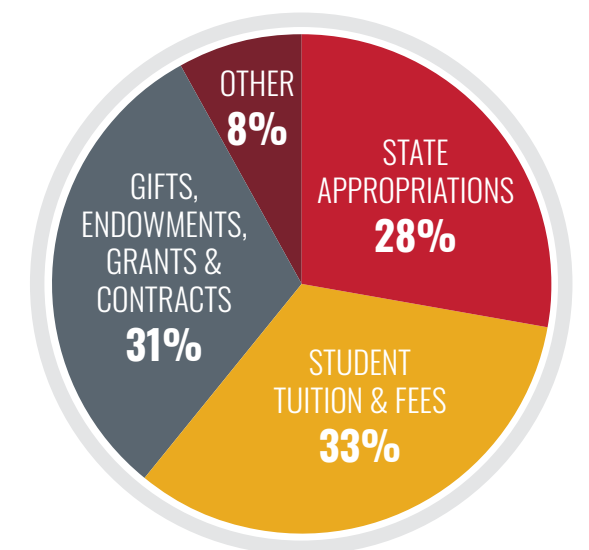
### The tradition of giving to the next generation of students

As a public university, the University of Missouri–St. Louis receives a portion of its funding from the state of Missouri as determined by the legislature and approved by the governor. The amount varies and depends on the funds available at the state level, state budget limitations and the generosity toward the University of Missouri System of those in the legislative body.

In 1964, state funding provided 60% of UMSL's budget. In recent years, state funding has provided between 24% and 28% of the university's annual budget.

While UMSL maintains the most affordable education in Missouri, student tuition and fees contribute to about 33% of the university's budget.

Our gifts and endowment income, plus grants and contracts, have provided an average of 31% of UMSL's income in the most recent three years. Other income comes from sales and services income.





# WAYS TO GIVE

## ► Making an Outright Gift

Unlike a planned or estate gift, an outright gift is immediate. Outright gifts are typically either cash gifts, a transfer of property or marketable securities. Cash gifts are usually made by a check provided in person or through the mail, or made online through our giving website.

Most outright gifts are designated to our annual fund, but they can also go to an annual named scholarship of your choosing, one you are naming yourself or it can go toward an already established endowment scholarship. You can also make a gift toward establishing your own named endowed scholarship.

### Outright gifts include:

- Cash
- Publicly traded securities
- Closely held or privately held securities
- Real estate

## ► Giving a Planned Gift

### 1. Through Your Estate

A legacy gift demonstrates your commitment not only to UMSL, but to the next generation of students and to our community. With a gift through your estate or will, you can give more than you thought possible while generating a charitable estate tax deduction. You can give to UMSL in your will or trust by naming UMSL as a beneficiary of a specific amount, asset or percentage of your estate.

### Bequest language that you and your attorney might want to employ:

I GIVE AND DEVISE TO THE CURATORS OF THE UNIVERSITY OF MISSOURI for the ST. LOUIS campus (Tax ID #43-6003859) at 1 University Boulevard, St. Louis, MO 63121.

### You may also want to include:

1. A specific gift amount
2. A percentage of your estate
3. If you want the funds to go toward a named endowment fund
4. If this is the remainder, or a portion of the remainder, of your estate after you have taken care of your heirs and loved ones
5. Specific property (stock, real estate, etc.)

In addition to discussing your bequest, will or trust with your own advisors, we encourage you to contact our Planned Giving office to discuss language specific to your bequest, as well as other planned giving strategies that may fulfill your charitable giving objectives. It is important to document and inform us of your bequest, especially if your intent is to establish a scholarship or endowment fund with distribution funds going to a specific purpose. Having this discussion and documenting your gift helps us make sure your wishes are fulfilled per your intention and helps us count on your gift in our long-term financial planning.

### 2. As a Beneficiary Designation

In addition to naming the University of Missouri–St. Louis in your will or trust, you can also designate UMSL as the beneficiary or one of the beneficiaries of your retirement plan, life insurance policy or commercial annuity. Income and estate taxes are not imposed on retirement assets left to a charity. In addition, you always have the right to change or amend the beneficiary designation.

### Some specific instruments in which beneficiary designation apply include:

- Qualified Retirement Plans, IRA, 401 (k), 403 (k), ESOP\*
- Life insurance
- Commercial annuities
- Payable on Death/Transfer on Death bank accounts or other financial instruments

*\*These are particularly good gift vehicles because they are not subject to income tax if left to a charity.*

### 3. As a Life Income Gift

Life income gifts, as the name implies, allows donors to receive payments and tax benefits during their lifetime – while also making a significant gift to UMSL. This type of gift, like many smart planned gifts, provides a charitable income tax deduction and may reduce capital gains tax and estate tax.

### Life income gifts include the following:

- Charitable gift annuities
- Charitable remainder trusts including unitrusts and annuity trusts

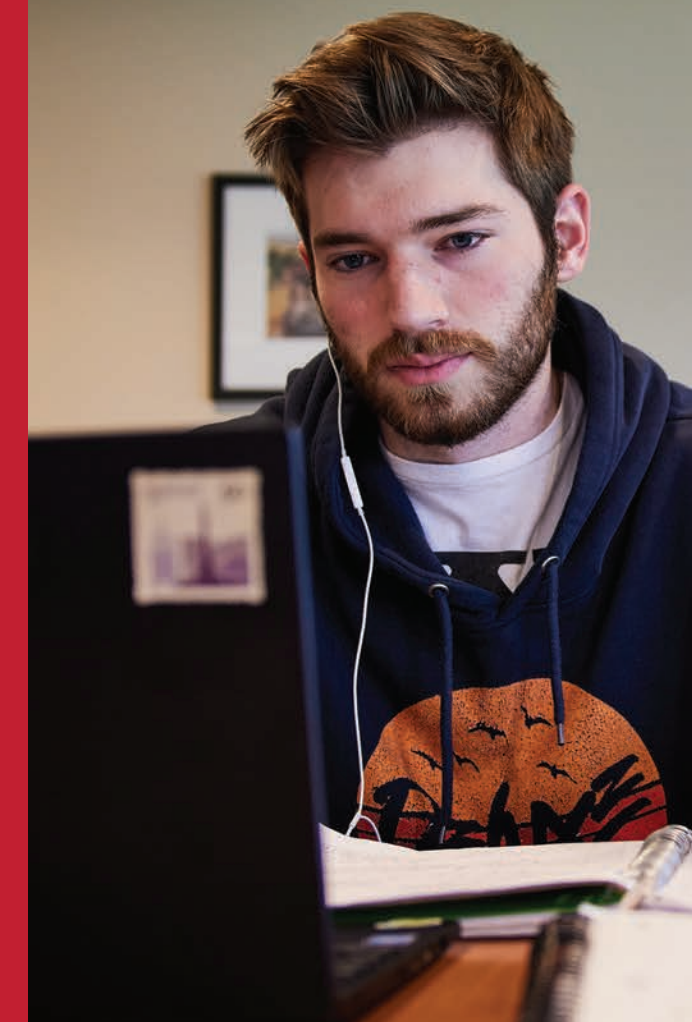
*(More on Life Income Gifts on the next page.)*

### IRA CHARITABLE ROLLOVER

Another smart way to make a gift to UMSL and receive tax benefits is to make an **IRA Charitable Rollover\*** gift. To qualify, you must be 70 ½ years old or older when the distribution is made. Further, the transfer must be outright and directly to UMSL from your IRA account. Just make sure your IRA paperwork contains your name and address.

The tax benefits can be substantial. By using the IRA rollover, the payment to UMSL will not be counted as your income and you can take the standard deduction on your taxes. You may transfer up to \$100,000 each calendar year. Transfers are excluded from your gross income for federal income tax purposes and will count toward your minimum distribution requirement. Please consult with your own tax advisor for your specific tax benefits.

\*Tax-free charitable IRA rollover gifts cannot be used to fund a gift annuity, a charitable remainder trust, a donor advised fund or a private foundation.



## CHARITABLE GIFT ANNUITY

A charitable gift annuity is the most popular life-income plan and is an agreement between you and UMSL and backed by the resources in the UM System. In exchange for irrevocably transferring assets to UMSL, you will receive regular fixed payments for life. These gifts can be made with cash or marketable securities and the minimum gift is \$10,000. Once you establish a charitable gift annuity, you cannot add to it, but there is no limit to the number of annuities you can establish.

The minimum age for an annuitant (the person entering into the agreement and receiving life income) to receive annuity payments is 60. The income for life may be paid to one or two annuitants. The amount of income is determined by the age of the annuitant and the amount placed in the gift annuity. The older the annuitant, the higher the annual annuity payment.

There are many tax advantages of a charitable gift annuity. For example:

- You receive an immediate charitable deduction on your income tax return for a portion of the amount you transfer to UMSL
- The older you are when the annuity is created, the greater the percentage of each payment is tax free
- If you are the only annuitant, the gift annuity is not included in your estate

There are particular advantages to funding a charitable gift annuity with appreciated securities. There is **no capital gains tax**, for example, on part of the appreciation at the time of transfer. If you are the annuitant, any capital gains tax that is generated will be spread over your life expectancy rather than paid in the year you make the gift.

You may opt for a **Deferred-Payment Gift Annuity**, where the payments are deferred until a later date. The timing for you might be better to receive payments after retirement or to assure additional income later in retirement.

The good news is that gift annuities can give you payment rates that are higher than current interest rates.\*

*\*Our gift annuity rates are updated monthly. Please request our current rates.*

## CHARITABLE REMAINDER TRUST

A charitable remainder trust is a type of irrevocable trust in which donated assets are transferred to a trustee and managed as an individual fund. These trusts come in two main varieties: 1) a **unitrust**, in which the payments vary from year to year based on the annual value of the trust, and 2) an **annuity trust**, in which the payments are fixed.

1. In general, the **charitable remainder unitrust** pays income to the beneficiary

based on a negotiated percentage of the trust assets valued annually. An UMSL unitrust must be funded initially with at least \$20,000. Subsequent gifts of at least \$100 may be added to the fund. The minimum age of all beneficiaries is 60, and a maximum of three beneficiaries is allowed. The fixed percentage is no less than 5%, the minimum required by law, while the maximum rate shall be established in consultation with development representatives and UM System Treasurer's Office. Factors taken into consideration for having direct bearing on payouts include prevailing investment and economic climate, age and number of beneficiaries.

This is an attractive instrument if you hold highly-appreciated and or low-yield investments. Those investments can be converted into higher-yield assets without incurring tax on the appreciation.

2. A **charitable remainder annuity trust** pays a negotiated specific dollar sum annually for the term of the trust. No additional gifts may be made after the annuity trust is established. The minimum amount to establish an annuity trust is \$20,000. The fixed dollar amount to be paid annually is no less than 5% of the initial net fair market value of the assets transferred (minimum required by law).

All trusts for which the UM System is trustee are managed by the UM System Treasurer's Office and administered by TIAA Kaspick and Co.

## ► Other Smart Ways to Give

There are many options for making a planned gift, including gifting real estate with a retained life estate, charitable lead trusts, variations on gifting life insurance and more. We suggest that we meet to discuss your philanthropic goals and aspirations. We also advise our donors to consult their own attorney, legal advisor and/or financial planner to find the gift vehicle that works best for them and their families.

## UMSL AN ECONOMIC ENGINE

The quality and success of a foundational institution can be measured by observing the region it aims to support.

According to the most recent Economic Impact Report, the University of Missouri–St. Louis:

- generated **\$429 million** in economic impact in Missouri.

- created and sustained **5,485 jobs**

- invested **\$1.7 million** in local communities

through donated time and the charitable giving of staff, faculty and students

- UMSL alumni in Missouri generated **\$13.4 billion** in economic impact in the state





## Michael J. Finkes

**BS Chemistry, 1973 / MS Chemistry, 1978**

COLLEGE OF ARTS AND SCIENCES

Empathy, that's why we are helping students today. Fifty-six years ago, Linda and I were in the same place as many of these students today. UMSL was a huge part of our lives and we know what it's like to be working, carrying a full school load and taking student loans to pay for tuition.

We want to help students reduce the number of hours that they need to work and use that saved time for studying. We want them to graduate without the burden of debilitating debt. We met one of our chemistry scholarship students and she shared with us that by having our scholarship, she was able to reduce the number of hours that she worked each week by four hours at a restaurant and have that time to study. That made it clear to us the impact of our scholarship gift and the potential that our estate gift will make on students in the future.

With our gift, we considered where our money would do the most good after we are gone and where we have the most connection. The answer for us was UMSL.

## Linda Finkes

**BA Political Science, 1970**

COLLEGE OF ARTS AND SCIENCES

UMSL was the right time and right place in our lives. I finished in 1970 and was the first among my 25 cousins to earn a degree from college. Michael was the first in his family to earn a degree and then earned a master's in chemistry. We overlapped at UMSL for a year before he left to serve in the U.S. Navy from 1967-70. As a veteran, he was able to benefit from the GI Bill and was able to concentrate on his studies and not carry a full- or part-time job at the same time.

That's our goal: to give students that ability to focus on their education and benefit from that academic experience without a burden of debt.

Our legacy gift to scholarship will benefit students for the next 100 years, actually, in perpetuity. And that, in turn, benefits the community by increasing the overall education level and the financial stability of families. We don't have children, but we feel that it just made sense for us to help someone else's children.



## Perry Drake

BS Economics 1984

COLLEGE OF ARTS AND SCIENCES

PhD in Education 2017

COLLEGE OF EDUCATION

This is a very personal gift. Our legacy gift is in two parts: a current scholarship gift and a future estate gift. The **Rhonda Knehans-Drake Memorial Scholarship** is a tribute to my late wife Rhonda, who died last year, which honors her love of students and her love of mentoring. Through this scholarship gift, we are able to help students pursue their dreams in the data analytics field, Rhonda's field of expertise. She helped many students while teaching at NYU for 14 years and, most recently at UMSL. She will still be supporting students through this scholarship.

I met Rhonda when we were both in junior high. We both attended UMSL and we both worked our way through UMSL by working at Schnucks. UMSL meant so much to us and helped us shape our young lives. The faculty was a big part of helping us move forward and we both wanted to be part of giving back. For us, it has always been all about the students.

I established the **Perry and Rhonda Drake Student Success Fund** as a future estate gift, to ensure that all students, particularly those with limited financial resources, would be able to overcome any potential barrier to their future success in the College of Business Administration. This includes emergency needs and paying for experiences and programs when a student's limited financial resources would otherwise prevent them from participating.

We never had a will, but Rhonda and I discussed what we wanted to do and UMSL came up as it was near and dear to both of us and had a profound impact on our lives. It was very important that both of these gifts benefit students directly and that the university have some flexibility to fill the needs of the students. I'm excited, no I'm thrilled, to know both these gifts will be there for students.

Perry Drake currently serves as co-chair and associate teaching professor of marketing at the College of Business at UMSL.





# THE POWER OF SCHOLARSHIPS AT UMSL

More than 70% of undergraduate students receive one or more forms of financial assistance. More than 57% of graduate students receive financial assistance. Almost all (98%) of the professional degree students receive financial assistance.

There is a clear need for scholarship funds to assist students as they pursue their educational endeavors. For these students, scholarships give them access to an education that might normally be out of reach for them. In addition, there are limited merit-based scholarships as well as scholarships based on the student maintaining academic excellence in specific areas of study.

## You can establish TWO TYPES of named scholarships:

### NAMED ANNUAL FUND SCHOLARSHIP

An annual scholarship is a fund that you can create through an investment of at least \$10,000 or a minimum commitment of \$2,500 per year for four years. Consequently, students are awarded scholarships on an annual basis so this type of gift has an immediate impact.

### NAMED ENDOWED SCHOLARSHIP

Endowed scholarships, which may be paid in installments, are permanent investments of at least \$30,000, which will generate revenue to provide a perpetual source of support for UMSL students.

You can also contribute anytime to already established endowed or annual scholarships through a planned gift, an annual gift or periodically, when you decide the timing works best for you.

Many individuals who are able to establish an endowed gift during their lifetime choose to establish an endowed scholarship. They can enjoy the relationships with current students and know the impact of their gift. In addition, they often designate their endowed scholarship to receive funding as part of their planned gift. This is a great option for those who want to establish a gift to UMSL that will exist in perpetuity.





## Linda Brown Reed

BA English Literature 1976

COLLEGE OF ARTS AND SCIENCES

I started at UMSL when I was 21 with a goal to get in and get out. I was working full-time and at that point had tried college two times unsuccessfully. UMSL was different and a good fit for me. The professors were supportive. I was comfortable and I finished in three years.

I wasn't active in the Alumni Association until I returned to campus years later for a Cornell West speaking engagement. When they asked for the UMSL alumni to stand, I looked around the room and thought, I need to get active. I started working with the African American Alumni Chapter to raise funds for scholarship and later led the organization as president from 2009–2021. We grew our scholarship fund into two scholarship funds, the **African American Alumni Chapter Scholarship** and the **African American Alumni Chapter Chancellor Marguerite Ross Barnett Scholarship**. These scholarships now have more than \$300,000 in combined endowments and provide annual assistance to four students. I'm proud that we can support UMSL students with these scholarships and make UMSL accessible for students who might not be able to attend on their own.

When I graduated in 1976, Professor Alphonso Jackson encouraged me to attend Washington University Law School. With his recommendation, I received a full scholarship. In less than two weeks from my UMSL graduation, I started law school.

I'm grateful for all that UMSL gave to me: my undergraduate education and a pathway to a full scholarship to law school. I'm paying it forward to the next generation of students through my ongoing and yearly support of scholarship but also through my planned gift, my charitable gift annuity, that's a great vehicle for me to make a meaningful donation to the Marguerite Ross Barnett Scholarship and a way to receive lifetime payments. It's a win-win.

In addition to serving as the African American Alumni Chapter president for more than 12 years, Linda Brown Reed also received the 2006 UMSL Distinguished Alumni Award and the 2014 Distinguished Alumni Service Award.







## Glenda Hares

### FRIEND OF UMSL

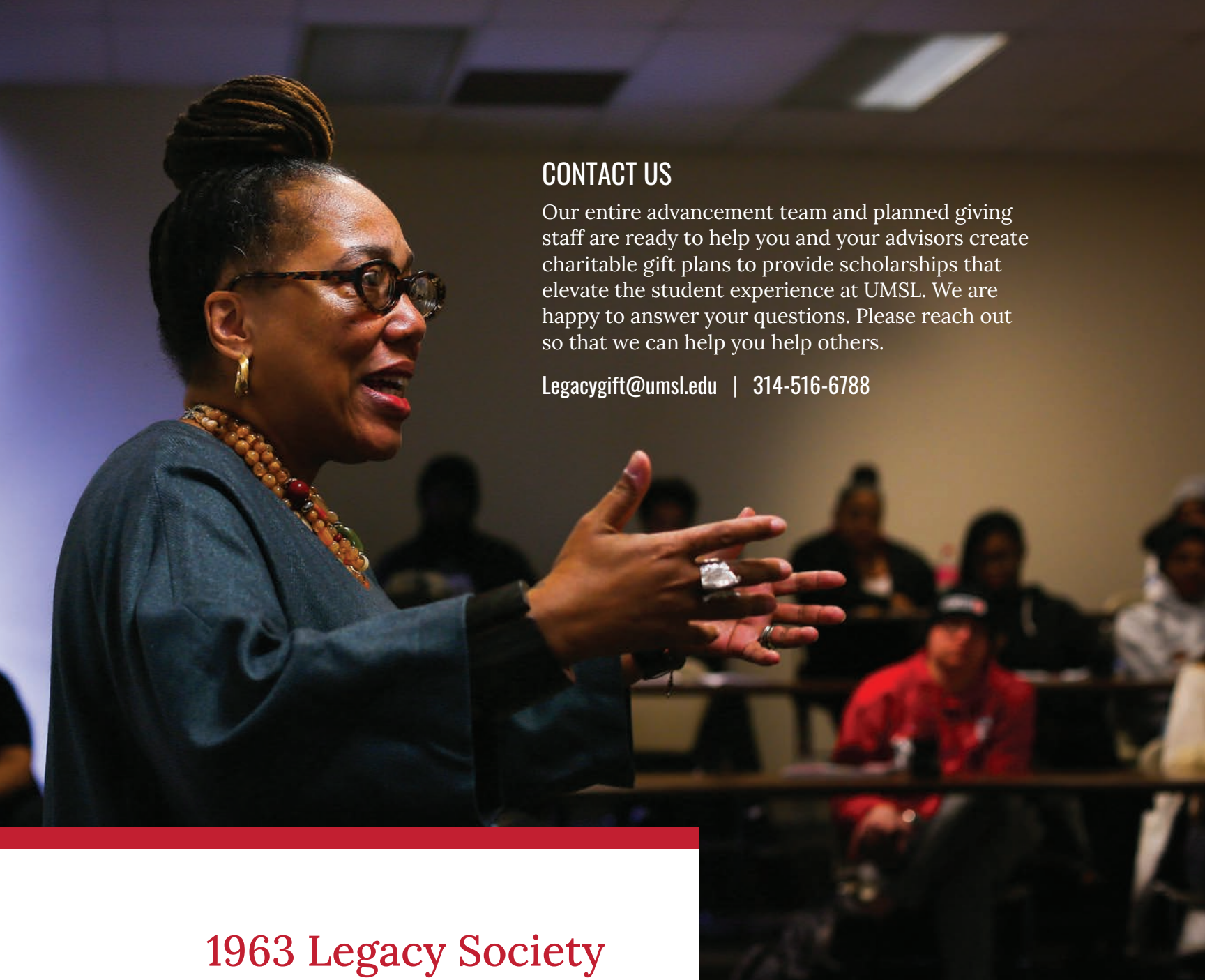
I attended a local theatre performance with three friends. Afterwards, we met a current student in the production, who was getting her masters in performing arts at UMSL. At the time, I didn't even know that UMSL had a theatre program. With that, I wanted to know more and returned to campus for a tour. From there, I quickly established a scholarship for fine and performing arts. A few years later, with more time on campus, I expanded the scholarship to include humanities.

I am impressed with UMSL students. They are articulate and dedicated students who are working hard to get their degrees. I am also impressed with the caliber of the faculty with real-world experience and how the entire university supports and cares for UMSL students.

More than 40 years ago, I took classes at UMSL when it was one building and a parking lot. It was a real shock to see the extent of its growth and the many wonderful spaces and buildings that have sprung up in the intervening years. It's such a beautiful campus – an asset to the St. Louis community and recognized for the many programs and student opportunities it offers.

My planned gift includes an estate gift and several charitable gift annuities. These gifts will ultimately benefit the scholarship that I established in 2017: **The Glenda and David Hares Scholarship** for students pursuing fine and performing arts or humanities.





### CONTACT US

Our entire advancement team and planned giving staff are ready to help you and your advisors create charitable gift plans to provide scholarships that elevate the student experience at UMSL. We are happy to answer your questions. Please reach out so that we can help you help others.

[Legacygift@umsl.edu](mailto:Legacygift@umsl.edu) | 314-516-6788

## 1963 Legacy Society Membership

We invite you to join our Legacy Society, which was created to thank and recognize our generous donors who support UMSL through a planned giving vehicle, such as an estate gift, life income or other planned gift.

Please let us know if you have included UMSL in your will or estate or as a beneficiary to your assets. We want to celebrate and recognize your generosity.

### 1963 Legacy Society benefits:

- Invitations to special events, including Legacy Society only events
- Discounts to join the UMSL Recreation and Wellness Center
- Coupons to the Triton Store
- Opportunities to attend lectures and special classes as part of a life-long learning series
- Recognition in our annual report and on the Wall of Honor at the Welcome Center
- Special annual recognition on your birthday from UMSL

Do you want to discuss making a legacy gift?

[Legacygift@umsl.edu](mailto:Legacygift@umsl.edu)  
314-516-6788





UNIVERSITY OF MISSOURI-ST. LOUIS

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