The ETSU Legacy Circle

“Sharing the Story of Your Life and Lasting Legacy to Touch the Future of ETSU”
How will my legacy be remembered?

Law. a gift of property, esp. personal property, as money, by will; a bequest.

Your legacy is also your life---the life you have lived defined by your values, principles, interests, and passions for giving.

This booklet is designed to help you and your financial or legal advisors to define, shape, and share your legacy at ETSU through the ETSU Foundation. Perhaps your legacy could be a student scholarship endowment, a professorship, or some other support that specifically reflects who you are and the role ETSU has in your life or your family’s lives.

Whether your legacy is carried forth by a bequest, a charitable remainder trust, a charitable gift annuity, life insurance, real property, retirement accounts, or an endowment, we are here to help you and your advisors to customize a plan suitable for your personal legacy.

How will you---and your lasting legacy---be remembered at ETSU?

Legal Disclaimer: The estate planning/planned giving methods described in this publication are not intended to convey legal or financial advice. Each person’s planning process and needs are unique to that person; therefore, it is suggested that you please consult with your attorney and other financial advisors to effectively plan for your personal financial, tax, and estate planning process.
A bequest can be a simple but effective way to leave your legacy for the ETSU Foundation.

Please consult your attorney as state laws vary regarding the provisions of your Last Will and Testament, but here is some suggested language:

“I, [name], of [city, state, ZIP], give, devise, and bequeath to the East Tennessee State University Foundation, a 501(c)(3) charitable organization, Federal Identification Number 23-7092731, of Johnson City, Tennessee, [written amount, or percentage of the estate or description of property] for the Jane Doe Scholarship Endowment in the East Tennessee State University Foundation.”

If you have an existing Last Will and Testament and wish to add the ETSU Foundation as a charitable beneficiary, then your attorney can assist you with a “codicil” or addition to your Last Will and Testament to carry forth your wishes for ETSU.
Revokeable Trusts

Depending on your financial situation and your personal objectives for your estate plan, your attorney may recommend that you consider using a “Revokeable Trust” or “Revokeable Living Trust.” Depending on your state’s laws and your personal situation, these trusts may offer you a degree of flexibility to reduce or even eliminate future probate expenses, promote privacy, take advantage of marital deductions to pass assets between spouses to minimize federal and state estate or inheritance taxes, and coordinate the distribution of assets at your passing.

A professional financial advisor can help you manage the trust established and funded during your lifetime, and you may even choose yourself to serve as the initial trustee of your “Revokeable Living Trust.” You may include provisions to name the ETSU Foundation as a beneficiary for the academic or athletics programs you designate with an endowed fund named for you or your family, while also providing financial support for your surviving heirs and others.

You should always consult a qualified estate planning attorney for his or her advice and guidance prior to drafting or funding any type of trust. Finally, it is not uncommon for these trusts to be used in coordination with a “pour-over” Will drafted by your attorney so that any assets not in the trust at your passing are transferred (or “poured over”) into the trust at your demise as you may direct.

Jim and Nellie Brinkley
Fort Pierce, Florida

- Jim returned from active duty with the U.S. Navy to complete his degree at ETSC in the Class of 1960.
- Nellie worked to support the couple during Jim’s student days. She and Jim later operated several successful businesses.
- Although Nellie passed away in 2009, her legacy and Jim’s too will live on at ETSU with the “Brinkley Scholarships” Nellie and Jim have created in their estate plans to include the ETSU Foundation.
Charitable Remainder Trusts and an Income for You or Others

You may wish to give to the ETSU Foundation, but do you also want an income for life (or a term of years)? Do you own a stock or other asset that presently produces little or no income? A Charitable Remainder Trust (CRT) may be the answer for you.

A Charitable Remainder Trust can pay you an income (at least annually) based on a fixed percentage you select (a Charitable Remainder Unitrust) or a fixed payment (a Charitable Remainder Annuity Trust). You can be the trustee of your Charitable Remainder Trust. There are specific requirements to make certain the trust qualifies as a Charitable Remainder Trust, so it is essential to consult a qualified attorney. CRTs may offer great flexibility for the donor in his or her planning process.

In addition to the possibility of an income tax deduction for funding the CRT, the CRT may generate some tax-free income depending on the investments in your CRT. Also, funding the CRT with appreciated property (stock, real property, e.g.) may result in tax advantages for you. Finally, your advisor may recommend a “Wealth Replacement” CRT to utilize life insurance to assist your family or others while you also share your legacy with the ETSU Foundation.

John H. Poteat
Kingsport, TN

- John attended the university during the Great Depression, and he later married Ruth Poteat.
- The John H. Poteat Charitable Remainder Trust (CRT) provided a lifetime income to John and Ruth. After their lifetimes the CRT left generous support for the Poteat Chair of Banking in the ETSU College of Business and Technology.
Do you need a fixed income for life? Then a Charitable Gift Annuity (CGA) may provide a solution for you.

In exchange for an irrevocable gift of cash or stock, the ETSU Foundation will pay the donor(s) an income for life (usually quarterly) based on a fixed interest rate at the time the CGA agreement is signed.

Also, an attractive feature of the CGA is that the income to the donor may be partially free of federal income tax for the donor’s life expectancy, in addition to the income tax deduction in the tax year during which the CGA is funded with the ETSU Foundation.

(Note: Charitable Gift Annuity agreements are governed by state law and state regulatory approval. Therefore, the ETSU Foundation may not be currently approved to issue or market CGA contracts in your state. Please check with us to determine whether the ETSU Foundation is approved to solicit and issue CGA contracts in your state.)

**Beverly and Jim Nickels**
Johnson City, TN

- Beverly is retired as a faculty member in the ETSU College of Nursing.
- Her Charitable Gift Annuity (CGA) provided naming-level support for the Nickels N.U.R.S.E. Center at ETSU.
- Although Jim passed away in 2008, the CGA continues to provide a lifetime income for Beverly.
Life Insurance

Life insurance policies offer a convenient way to leave your legacy for your university.

By naming the ETSU Foundation as a charitable beneficiary of a new or an existing life insurance policy, you can leave your legacy for East Tennessee State University.

Also, if you name the ETSU Foundation as both the owner and beneficiary of the policy, then you may be entitled to an income tax deduction for the premiums you pay to keep the policy in force if you pay the premiums through the ETSU Foundation. For the gift of an existing life insurance policy and by naming the ETSU Foundation as the owner and beneficiary of that policy, you may be entitled to an income tax deduction for the gift of that policy.

We are here to work with you and your life insurance professional or other advisors regarding the use of life insurance to share your legacy for future generations at ETSU.

Dorothy Lee-Grisham
Chattanooga, TN

• Dorothy, a member of the Class of 1974, named the ETSU Foundation as the owner and beneficiary of a life insurance policy.

• The death benefit from this life insurance policy will fund future scholarship and student support.

• During her lifetime the premiums Dorothy pays for the policy result in an annual income tax-deductible gift if she pays those premiums to the ETSU Foundation.
Real Property

For some donors a gift of real property during your lifetime or in an estate plan can effectively carry forth your legacy.

Whether the real property is a family farm, undeveloped land, a home, or some other form of real property, the ETSU Foundation generally would sell the real property and use the proceeds to support a scholarship, professorship, or another fund as you would direct.

Real Property may also be utilized in some circumstances to fund a Charitable Remainder Trust, subject to certain restrictions.

Gifts of real property must comply with other ETSU Foundation policies, including environmental assurances.

You may also wish to consider retaining a life estate in your real property, with the property to be transferred to the ETSU Foundation at your passing. We can help you and your attorney with this arrangement as this may offer some tax advantages while also sharing your legacy.

Fred D. Brumit
Gray, TN

• In his estate plans, Mr. Brumit, a member of the ETSU Class of 1951, gave his farm in Washington County, TN, to the ETSU Foundation. He passed away in 2003.

• During his lifetime Mr. Brumit built a legacy of commitment as a mentor to young people as he was both a teacher and a farmer.

• When the ETSU Foundation later sold the farm, the sales proceeds created the “Fred D. Brumit Pharmacy Scholarship” Endowment in the Foundation to educate our future pharmacists.
For many of us our retirement accounts or IRAs are significant assets in our finances. However, as many of these plans have grown income-tax free, retirement accounts may cause significant income tax and/or estate taxes to be paid at death.

This process can greatly diminish the value of the retirement account at death. Therefore, these accounts may offer you a tax-wise way to support the ETSU Foundation.

Consulting with your financial advisor and attorney, you can name the ETSU Foundation as a beneficiary of your retirement account. This may help you avoid that taxation while also leaving your legacy for ETSU.

Dr. May Votaw and Dr. Charles Votaw
Johnson City, TN

- As retired physicians and faculty members in the Quillen College of Medicine, Dr. and Dr. Votaw established the “Bertha Votaw Medical Scholarship” Endowment to honor Charles’ mother and to assist medical students.

- Charles and May funded the “Bertha Votaw Medical Scholarship” Endowment in the ETSU Foundation with lifetime gifts.

- Funding the scholarship endowment with retirement assets at Charles’ passing provided a tax-wise, sensible solution for additional support to continue to build the endowment.
So, how do I start to share my legacy with the ETSU Foundation?

First, it is not hard. We are here to help you each step of the way.

We are here to help you and your advisors, without charge, wisely plan your estate or your financial plan. For more information on any of these topics, you may return the card to us.

Or, you may wish to contact Dr. Richard A. Manahan, CPA, or Jeff Anderson, J.D., ETSU University Advancement, Box 70721, Johnson City, TN 37614, 423.439.4242, or andersjw@etsu.edu.

We’ll help you join many others in the ETSU Legacy Circle!

Touch the future today with your legacy to ensure a bright future for students, faculty, and quality education at East Tennessee State University. You will make a difference for generations by sharing the story of your legacy.

Our web site, http://www.etsu.edu/advance (please click on “Giving”) can assist you and your advisor with planned giving resources.
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