



REMEMBER STANFORD

CHARITABLE
ESTATE
PLANNING &
TAX TIPS
SUMMER
2007

Creating a Legacy



STANFORD SCRAPBOOK *Studio art students on the Main Quad in the 1950s*

BEQUESTS: AT THE HEART OF THE STANFORD CHALLENGE

Bequests have played a fundamental role in the building of Stanford University from its earliest days. The institution was founded through gifts and bequests from Jane and Leland Stanford, and generous planned gifts from alumni and friends over the course of the ensuing century have helped to establish Stanford as one of the world's top universities.

In October 2006, the spirit and hope that inspired those gifts was renewed with the launch of The Stanford Challenge, a five-year campaign focused on seeking solutions to complex global problems and educating the next

generation of leaders. *A key goal of the Challenge is the doubling of the number of bequest intentions known to the university.* The fact that planned gifts are a major focus of the campaign is a measure of the tremendous impact such gifts will have on Stanford's long-term vitality.

Bequests to Stanford, by their very nature, are about developing and sustaining the university for the future. Here are three stories of forward-looking alumni whose bequests have made and are making a significant difference in the lives and work of Stanford faculty and students.



Dudley Chambers, '27, ENG '28, with the Stanford branch of the American Institute of Electrical Engineers, 1927

AN UNEXPECTED BEQUEST TO SCIENCE AND ENGINEERING

Until his death in late 2005, Dudley Chambers, '27, ENG '28, had made only one gift to Stanford: In 1955, he sent a check for \$250 to the School of Engineering with a matching amount from his employer, General Electric. Dudley later indicated his intention to make a bequest, so he was a member of Stanford's Founding Grant Society, but the university was completely unprepared for what Dudley had in mind.

When Dudley died a month short of his 100th birthday—outliving three wives—his gift of more than \$51 million, consisting mainly of GE stock, became the largest bequest ever received by Stanford. It established an endowment committed to advancing “human knowledge and understanding in important areas of engineering technology and the natural sciences.” Income from his gift will be used to provide faculty salaries, student scholarships, and general support in these fields.

At Stanford, Dudley thrived as a student of the widely admired Frederick Emmons Terman, '20, ENG '22, then a young associate professor of electrical engineering, who later became an influential provost at Stanford. Terman was a mentor to many other promising students, including William Hewlett, '34, ENG '39, and David Packard, '34, ENG '39.

After graduation, Dudley moved from California to New York to begin a career at GE that would span nearly 40 years. He was instrumental in setting up the GE Engineering Laboratory and, in the 1930s, developed and managed the installation of the lighting console system for New York's Radio City Music Hall. The console remained in operation until just a few years ago when the theater was renovated.

“The last time I met him, about a month before his death, he mentioned in a very offhand manner that he'd also designed and overseen the lighting for the Metropolitan Opera in New York,” says Will Collier,

Dudley's stepgrandson. “That's really the kind of man he was. Either one of those projects [Radio City Music Hall or the Metropolitan Opera House] would have been a career achievement for mere mortals. For Dudley, I think they were just another job for GE.”

Dudley's curiosity about new technologies spanned a lifetime: In his teenage years he experimented with ham radio, while decades later and well into his 90s, he became an avid user of the Internet.

Stanford created a lasting impression on Dudley; now his legacy will have a lasting impact on Stanford. “Stanford gave me a chance,” he once told stepdaughter Trish Thomson Herr, “and I want other prospective engineers to have the same.”

A GROWING BEQUEST SUPPORTS SCHOLARSHIPS FOR WOMEN

When Sarah Comstock graduated from Stanford in 1896, there were 45 women students among the 176 members of her class, and more than 90 percent of those women went on to become schoolteachers. One hundred and one years later, planned gifts like the one Sarah made on her death in 1961 continue to provide a Stanford education to worthy students, male and female alike, and the career opportunities open to them are limitless.



Sarah Comstock, Class of 1896

Sarah's bequest of approximately \$28,000 endowed a fund to help women students attend Stanford. Over the years, the Sarah Comstock Scholarship Fund has increased astonishingly, due to the careful financial oversight of the Stanford Management Company and its predecessor, the Treasurer's Office. Today, Sarah's



fund has grown to more than \$470,000; since 1961, 56 women students have been awarded Comstock Scholarships.

Sarah majored in English at Stanford, demonstrating her skill as a writer in her junior year when she authored a farce titled *Cat's Cradle*. She was also on the editorial staff of the 1896 *Stanford Quad*.

A few years after graduation, Sarah moved to New York, where she began her career as a freelance writer. Her fiction appeared in fashionable periodicals, such as *Collier's*, *Harper's Magazine*, and *Good Housekeeping*. In 1912, she published her first novel, *The Soddy*, which described how early settlers built their homes. Much of her writing examined social issues, as did a 1932 article she penned for *Good Housekeeping*, titled "Marriage—or Career," that discussed the difficulties women faced in balancing family and job.

In 1926, Sarah and three members of her class compiled and edited the Class of 1896 yearbook—the first of its kind for Stanford. Sarah wrote in the introduction, "If this volume in any measure expresses the class's gratitude to the founders who built for us the walls which sheltered us, and the teachers who inspired us, then we are, to the full, repaid."

Alessa Johns, '81, an English major like Sarah, was one of the many recipients of the Comstock Scholarship. Her work at Stanford ultimately led to her joining the faculty at the University of California at Davis, where she specializes in the literature and culture of 18th-century women writers. "Without that [scholarship] package, I don't think I could have attended Stanford, and if I hadn't attended Stanford, I'm not sure I would have had this career," she says.

AN UNRESTRICTED BEQUEST HELPED BUILD PAVILION

Could Roscoe Maples have imagined that more than 40 years after making his bequest to Stanford, his name would be familiar to thousands of Stanford students and alumni? Or that his gift would provide a vital campus venue for basketball, volleyball, badminton, intramural athletics, and cultural events?

Roscoe Maples was born into a wealthy lumber family in Klamath Falls, Oregon. Though he enrolled in Stanford's Class of 1904, Roscoe never graduated. An illness in the family forced him to return home at the end of his freshman year. Athletics, particularly football, was

Roscoe's passion. During his year at Stanford, he traveled with the football team to Portland, a trip he talked about often.

In 1917, Roscoe married Ann O'Day, a vaudeville actress who once shared a stage with Douglas Fairbanks, Jr. The couple gave generously to Stanford when they were able. During the Depression, when Roscoe's lumber business was floundering, he worried about his inability to help the school he loved. "Maybe someday," he told his wife, "I'll be able to do something for Stanford."



Basketball in Maples Pavilion

His business flourished in the following years. He and his wife enjoyed a comfortable life in San Francisco; they would often drive down to Palo Alto to attend Stanford football games.

On his death in 1963, Roscoe was able to do something for Stanford through a bequest in which he left the residue of his estate (approximately \$1.7 million) to the university, to be held in trust with income to be paid to his widow until she died. His gift to Stanford was unrestricted, meaning that no conditions were attached to its use. The university, looking for capital to help build a new basketball stadium and knowing Roscoe's love of athletics, thought of using the future proceeds of his trust. At the time, Stanford's physical education facilities lagged far behind those of other universities.

"Maybe someday, I'll be able to do something for Stanford."

— Roscoe Maples

With Ann's approval, \$1.2 million of the trust assets were earmarked in advance for the project, which cost a total of \$3.3 million. The Roscoe Maples Pavilion opened in 1969 with a basketball game against Brigham Young University. As soon as the first point was scored, the play was stopped and the ball presented as a souvenir to the 88-year-old Ann.

Ann attended Stanford football and basketball games into her mid-90s. She died in 1987 at the age of 106, at which time the proceeds of the Maples' trust were released to Stanford.

GOOD COUNSEL

BY CHRIS YATES, '81

DIRECTOR OF PLANNED GIVING

As Doug Brown makes clear in his message [*opposite*], by including Stanford in your estate plans, you will be helping the university achieve the ambitious goal of The Stanford Challenge to double the number of known bequest intentions. And making these kinds of arrangements is not as difficult as you might think.

Include a bequest for Stanford in your will or living trust. Bequests to Stanford can include cash, securities, real estate, other property, and a percentage or all of the residue of your estate. To make a bequest to Stanford, you will need to sign a new will or trust instrument, add a codicil to your present will, or make an amendment to your present trust instrument. To ensure that your exact intentions are carried out, these documents should be prepared in consultation with an attorney and discussed with staff in the Office of Planned Giving.

Name Stanford as the beneficiary of your retirement plan, life insurance policy, or bank/brokerage account. This process is fairly straightforward and does not usually require any complicated documentation.

To name Stanford as the beneficiary of your life insurance policy or retirement plan [e.g., IRA, 401(k), 403(b), KEOGH, SEP] at your death, you will need to



Chris Yates, '81

obtain a beneficiary designation form from the administrator of the retirement plan or your insurance company.

To name Stanford as the beneficiary of a bank or brokerage account at your death, you will need to contact the institution and indicate that you wish your account to include a POD (Pay on Death) feature. To create a POD designation, you will simply name Stanford University on the ownership document (such as the registration card for a bank account) to inherit the account assets at your death.

In each of the above cases, you retain complete control of your plan, policy, or account while you are alive, and you can change the beneficiary at any time. At your death, the property is transferred directly to Stanford, free of all tax and outside of any probate process. The tax savings are especially significant for gifts of retirement plans, which are usually subject to both estate and income taxes when left to your heirs. If you would like to designate your gift for a particular purpose at Stanford, the easiest way to accomplish this is through a written agreement kept on file with the university. Staff in the Office of Planned Giving can assist in this simple process by providing you and/or your advisors with a template for a gift agreement tailored to your situation. 🐾

bequest intention (bĭ-kwĕst' ĭn-tĕn'shən) *noun*.

An indication by a donor to Stanford that she or he has included a gift for the university in her or his estate plan, through a provision in her or his will, living trust, IRA, retirement plan, insurance policy, or charitable remainder trust.

SAMPLE BEQUEST LANGUAGE

Expendable Bequests

I hereby give [description of gift assets] to THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY, an educational institution, to support the objects and purposes of the university. [To specify how your gift will be used, select from the "Options" list at right.]

Endowed Bequests

I hereby give [description of gift assets] to THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY (hereinafter, "the Board"), an educational institution. The property comprising this gift may, for investment purposes, be merged with any of the investment assets of Stanford University, but the gift shall be entered in the university's books and records as THE [name of fund] FUND. The Board shall spend so much of the Fund income and appreciation as it shall determine reasonable to further

the objects and purposes of Stanford University. [To specify how your gift will be used, select from the "Options" list below.]

Options

If you would like to restrict how your gift will be used, include one of these designations:

- ... provide books and other materials for the Stanford University Libraries.*
- ... support the School of [name of school].*
- ... support the Department of Athletics, Physical Education and Recreation.*
- ... support the Hoover Institution on War, Revolution and Peace.*
- ... support the Iris & B. Gerald Cantor Center for Visual Arts.*
- ... support the [name of department] Department.*
- ... support research in [name of field of study] at Stanford University.*
- ... provide financial aid for undergraduates.*

... provide financial aid for graduate students at the School of [name of school].

If a specific use is stated, inclusion of the following language will ensure that the bequest always remains productive:

If, in the judgment of the Board, changed circumstances should at some future time render the designated use of this gift no longer appropriate, then the Board shall use the gift to further the objects and purposes of Stanford University, giving consideration to my special interest as evidenced by the purpose described above.

Note: Please call the Office of Planned Giving (800.227.8977, ext. 54358) before writing a will that includes any type of restriction on a bequest, to make certain that Stanford will be able to use your gift appropriately.

THE STANFORD CHALLENGE: MAKING A CASE FOR BEQUEST INTENTIONS

BY DOUGLAS M. BROWN, '59, MBA '61

As a longtime advocate for planned gifts to Stanford, I am delighted to tell you about The Stanford Challenge and the critical role that bequests will play in the success of this bold new endeavor.

Launched in October 2006, The Stanford Challenge is an ambitious five-year, university-wide campaign that focuses the university's intellectual and other resources on seeking solutions to some of the world's most pressing issues, particularly in the areas of human health, international affairs, and the environment and sustainability.

The Challenge builds on a Stanford tradition of multidisciplinary collaboration and draws on the expertise of faculty and students from all seven of Stanford's schools, as well as its institutes and many centers, to create an environment in which teams of experts can discover solutions that have previously eluded individual researchers.

In addition to these initiatives, The Stanford Challenge emphasizes the importance of educating the next generation of leaders and strengthening Stanford's breadth of excellence in teaching and research. Among the goals for this aspect of the campaign are improving K-12 education, strengthening graduate and undergraduate programs, and engaging all students in the arts and the creative process through exhibitions, performances, and research.

Although the Challenge will end in December 2011, many of its objectives are long-range in nature. For these critical efforts to succeed, the university will require strong leadership from its faculty and financial support from alumni and friends. Bequests and other types of planned gifts will play a vital role in the Challenge, contributing substantially to the university's

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“Recognizing the importance of such gifts, Stanford has established a goal of doubling the existing number of bequest intentions over the course of the campaign.”

— Douglas M. Brown



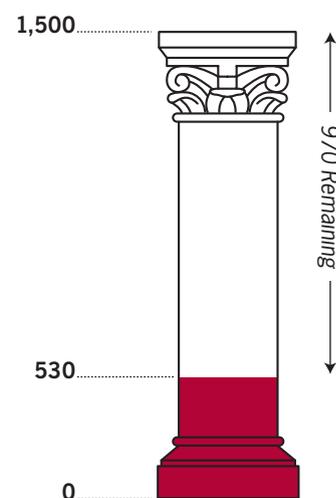
Douglas M. Brown, '59, MBA '61

endowment and to its long-term objectives. Recognizing the importance of such gifts, Stanford has established a goal of doubling the existing number of bequest intentions over the course of the campaign. *Every bequest intention, regardless of size or amount, will count toward this goal.*

When considering a bequest to Stanford, you may choose from a wide range of giving opportunities including innovative educational programs, multidisciplinary research, professorships, graduate fellowships, and undergraduate scholarships. You may select a field of study that is important to you or your family, or an area where you believe there is the greatest need. Or you may prefer to let the university decide how best to use your gift.

STANFORD CHALLENGE BEQUEST INTENTIONS GOAL

- New Bequest Intentions
- Remaining to Achieve Goal



When I included Stanford in my estate plan more than a decade ago, I considered it a sound investment in the future of a great university. With the launch of The Stanford Challenge, my gift will benefit not only my alma mater, but also contribute to the quality of life here on this earth for years to come.

If you have been considering making a bequest to the university, I encourage you to contact the planned giving office. We hope you

will join us in this exciting venture.

Douglas M. Brown, chair of the Board of Directors of the Founding Grant Society and planned giving chair for The Stanford Challenge, is a past member of Stanford's Board of Trustees and a Gold Spike Award winner.

thestanfordchallenge.stanford.edu

REMEMBERING STANFORD

Kennell A. Jackson, Jr., was born into what he described as a “striving” family in Farmville, Virginia, where he attended a segregated school. Undaunted by his impoverished childhood, he went on to earn a bachelor’s degree from Hampton Institute, now Hampton University, and to win fellowships to study at the University of California, Los Angeles; the University of Ghana; and the University of Cambridge, before earning his doctorate at UCLA.

He died in 2005 at age 64, with Stanford named as a beneficiary of his life insurance policy. He designated \$50,000 in support of the African & African American Studies Program, \$50,000 to the Black Community Services Center, \$2,000 to the African Students Association, and \$1,000 to the Freshman Dean’s Office. A man with many passions, he also left Stanford an

eclectic collection of art. His ceramic teapots were displayed at the Cantor Arts Center until April 2007.

Kennell joined the history department as an assistant professor in 1969. Professor Richard Roberts calls him a “pioneer” in the history of East Africa. “He was always interested in the local meanings of changes in popular culture, particularly among the Kamba [an ethnic group in central Kenya],” says Richard.

Kennell was known for his 1996 book *America Is Me: The Most Asked and Least Understood Ques-*



Kennell A. Jackson, Jr.

IN THE NEWS: CHARITABLE TRUSTS MAY NOW BE INVESTED WITH THE UNIVERSITY ENDOWMENT

The Internal Revenue Service (IRS) issued a private letter ruling to Stanford University in October 2006 that allows eligible charitable remainder trusts (CRTs) to take advantage of the primary investment vehicle of Stanford’s endowment, the Merged Endowment Pool (MEP). This offers an attractive opportunity for trust donors who have named Stanford as their trustee. Qualifying new and existing trusts can now take advantage of the university’s investment expertise, which has resulted in the MEP’s outstanding performance (see chart).

The ruling provides significant diversification and growth potential for CRTs due to the extended range of investments now open to them, many of which are not generally available to the public. These include private equity, venture capital funds, real estate, oil and gas interests, hedge funds, and buyout funds.

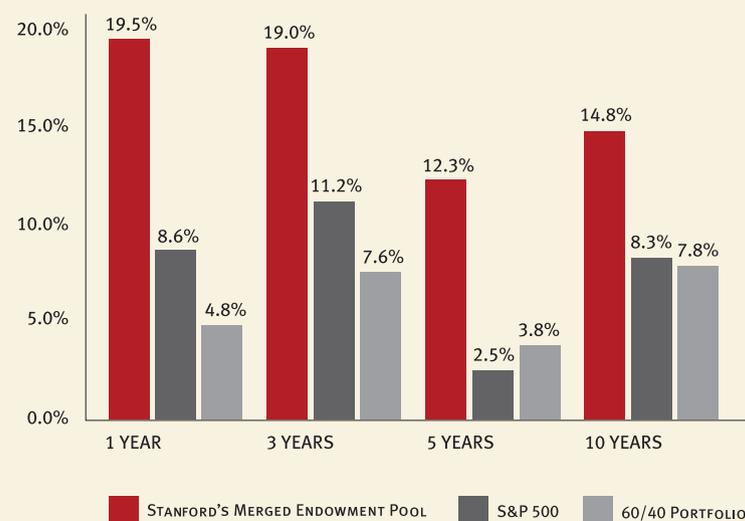
According to the ruling, a trust is eligible for investment in the MEP if it (i) is a qualified charitable remainder trust under federal tax law; (ii) irrevocably designates Stanford as the sole remainder beneficiary; and (iii) names Stanford as the trustee. Donors who have already set up a charitable trust outside of Stanford may still benefit from the ruling if

the trust is turned over to Stanford as its trustee, and the entire charitable interest is designated for the university.

“Our hope is that higher returns from the MEP investment will produce higher beneficiary payments for our donors and also increase the amount of the eventual distribution of the trust to the university,” says Chris Yates, director of planned giving at Stanford.

For more information on how to take advantage of this ruling, please contact the Office of Planned Giving by calling 800.277.8977, ext. 54358, or 650.725.4358, or writing to rememberstanford@stanford.edu.

Performance of Stanford's Merged Endowment Pool (MEP)
Compared to S&P 500 and 60/40 Portfolio to June 30, 2006



tions about Black American History. Another book, *Black Cultural Traffic: Crossroads in Global Performance and Popular Culture*, coedited with drama professor Harry J. Elam, Jr., examines confluences and influences of black popular culture in the arts.

“Kennell had a rich knowledge of African and African-American history,” Harry says. “He was incredibly well read. As a historian, he was always thinking about what influenced current trends, and how the past and present came together as culture. He felt that popular culture was something that should be taken seriously.”

For a quarter of a century Kennell was resident fellow at Branner Hall, the university’s largest all-freshman dor-



Ceramic teapots (left and above)

itory with 160 students. During his long tenure at Stanford, he was father figure, mentor, and exemplary teacher to generations of graduates and undergraduates.

“He was a legend in Branner,” says Arnold Rampersad, senior associate dean for humanities. “All his life he was linked to young students. This kept him alive to trends and allowed him to teach very effectively and communicate with students.”

Kennell’s presence at Stanford will live on in his generous gifts and through the many people whose lives he enriched.

Adapted from Stanford Report, November 23, 2005

RECENT ESTATE GIFTS

Stanford is grateful to the generous alumni and friends who remembered the university in their estate plans. These gifts make a difference across the university. A sampling of recent gifts received from estates appears below.

EARL P. ALDERMAN, '41, gifted a portion of the residue of his estate, a total of \$5,365, to the Athletic Department for the tennis program.

PATRICIA L. ANTUNA, a friend, named the Blood and Marrow Transplantation Program in Stanford Hospital & Clinics as the beneficiary of a portion of the residue of her estate. The gift totaled \$8,470.

HOPE AND THOMAS BURKE, friends, left a portion of the residue of their trust estate, totaling approximately \$108,500, to Bechtel International Center.

JOHN C. CLARK, PhD '35, left a residual gift, totaling \$1,086,418, to further endow the John C. Clark Fund. The fund provides general support to the Department of Physics.

IRINA E. DRIVER, a friend, left a portion of the remainder of her estate to the Department of Dermatology in the School of Medicine. The gift totaled \$140,200.

LEWIS T. GARDINER, '36, left a 20 percent interest in real property as an unrestricted gift totaling approximately \$92,000.

WARREN T. JENSEN, '43, PhD '48, left \$250,000 in his will to endow the Christopher and Maude Jensen Scholarship Fund, with a preference for undergraduates majoring in engineering or any of the physical sciences.

LAN LOOK, a friend, made a bequest of \$20,000 to the Heart Research General Gift Fund at Stanford University Medical Center.

KATHARINE S. MCDERMOTT (Parent '37) provided a gift of approximately \$120,000 from her trust, which has been added to the Class of 1937 Reunion Endowment Fund.

JOHN A. MICHAELSON, '92, left a portion of the residue of his estate, totaling \$12,640, supporting the Program in Policy, Organization, and Leadership Studies in the School of Education, for training middle and high school principals.

MILTON B. NEWMAN, '34, left a gift of \$10,000 to provide financial aid to male students from Los Angeles High School.

JOHN L. PATTERSON, LLB '66, named Stanford Law School as the beneficiary of a portion of the residue of his estate. The gift totaled approximately \$200,700.

JANE M. PUCCINELLI (Parent '55, '59) made a gift of \$100,000 to further endow the Roland Puccinelli Memorial Scholarship Fund.

ELLIOTT B. SNYDER, '33, wife of Professor Rixford Snyder, provided for a gift from the residue in a family trust to endow the Gideon H. Smith Fund. The fund will support the Athletic Department. Another portion of the trust will be added to the Rixford K. Snyder Undergraduate Scholarship Fund for students participating in intercollegiate athletics. The gifts totaled more than \$600,000.

JOSEPH STUART, '47, left an unrestricted gift of \$10,000.

JOHN M. THAYER, '66, left half of the residue of his estate to the university. The unrestricted gift totaled more than \$520,000.



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For more information about gift planning

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Toll-free: 800.227.8977, ext. 54358 (USA)

International: 001.650.725.4358

Fax: 650.723.6570

E-mail: rememberstanford@stanford.edu

TAX TIPS

Tax-Free Individual Retirement Account (IRA) Rollover to Charity Allowed Through End of 2007

Under the Pension Protection Act of 2006, signed into law in August of last year, you may now transfer up to \$100,000 from your IRA to charity, which will count toward your required annual minimum distribution and will not be considered as taxable income. For the first time, retirees may withdraw money from their IRA and avoid paying income tax. Here are the requirements:

- You must be 70 1/2 years old or older at the time of the distribution.
- Distributions must be made to public charities (such as Stanford).
- The provision is available only through December 31, 2007.
- Your IRA administrator must make the distribution directly to the charity, or you may write a check payable to "Stanford University" from your IRA checkbook.

Some important considerations:

- These distributions will not be deductible as a charitable contribution on your income tax return.
- Though California law conforms to this new federal law, other states' laws may not. Please consult your tax advisor before making a distribution.
- Distributions to private foundations, to donor advised funds, or for life income gifts (e.g., charitable remainder trusts) will not qualify.
- If you have funds in another type of retirement plan, such as a 401(k), 403(b), or KEOGH, you will need to first transfer the assets of those plans into an IRA in order to make a qualifying distribution.
- You should consult with your own tax and financial advisors before making such a gift.

To make an IRA rollover gift to Stanford:

- Contact your IRA administrator and request a direct distribution from your IRA to Stanford in any amount up to \$100,000 or, if you have IRA checkwriting privileges, make a check payable to "Stanford University."
- Checks should be sent by you or your administrator to:
Stanford University, Gift Processing, 326 Galvez Street, Stanford, CA 94305-6105
- Stanford University's federal tax identification number is 94-1156365.

Office of Planned Giving Stanford University

Frances C. Arrillaga Alumni Center
326 Galvez Street
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