Attending Stanford as an undergraduate opened the door to a stimulating world of new ideas and exceptionally talented people, says Lauren Dunbar Keough, ’65 (history). “I was eager to be challenged beyond my dreams,” she recalls. “Stanford delivered well beyond that. Over time, it became clear that my lifelong curiosity about the nature and history of everything had been ignited at Stanford. I became in absolute awe of the power of ‘knowing’ history to shape lives.”

By far the most lasting impact was her time at Stanford in Florence, Italy, in 1962–63. “My six months there as a student, then two years as a resident assistant, caused a huge shift in my worldview,” she says. “I came to understand that cultural, societal, and economic values are relative to a people’s history and language. I became more open to a global cultures perspective.”
**Creating a Legacy**

Lauren went on to become a documentary filmmaker and now runs her own personal and family history business. Lafayette, California–based Memoria specializes in video biographies and photo storybooks that celebrate individual lives and preserve family legacy stories.

Central to Lauren’s own legacy was her decision to make an estate gift to Stanford.

When Lauren’s parents passed away, leaving her a share of their Individual Retirement Account (IRA), she learned from a Stanford planned giving officer about the benefits of using a portion of her inheritance to make a tax-free bequest. “At the time,” Lauren says, “I had little confidence that I would be able to make a bequest from my personal investments and savings, so this provided the perfect opportunity to invest in Stanford’s future.”

Her bequest will support the Bing Overseas Studies Program “with the hope that even more Stanford undergraduates will be able to expand their hearts and minds as I did by studying abroad,” she says.

“This gift is a perfect legacy—one that treasures my parents’ love for me and their support for my Stanford education,” Lauren says. She also is honoring other family ties to the university: Her older sister, Carol Dunbar Tether, graduated from Stanford in 1961 in mathematics; and her younger brother, Robert B. Dunbar, is a professor of geological and environmental sciences and the Victoria P. and Roger W. Sant Director of Stanford’s Earth Systems Program.

What was the tipping point for Lauren in making this gift? “Stanford’s commitment to undergraduate education continues to impress me. The stunning growth of undergraduate independent research and international studies, as well as the range of multidisciplinary courses and majors, is simply amazing,” she says. “After I’m gone, my gift will be working at Stanford to support programs I can’t imagine today. That’s thrilling!”

**An Easy Way to Give**

Making a charitable bequest from an IRA is an easy and remarkably effective way to give, says John Lillie, ’59, MS ’64, MBA ’64. “I think that an estate plan that includes charitable giving should first look at any tax-deferred accounts available,” he says, pointing out that funds left to heirs from a tax-deferred retirement plan can be taxed at very high rates, since they are subject to both estate and income taxes. Up to 65 percent of the plan could go to the government in the form of taxes if an IRA or other tax-deferred plan is passed down to an heir, while there is no tax on these types of funds when left to the university.

In addition, making Stanford a retirement plan beneficiary is a simple process—as easy as filling out a new beneficiary form. “It’s done quickly and with flexibility,” says John, a retired business manager. “It’s a particularly easy way to do estate planning that many people aren’t aware of.”

John and his wife, Daryl, decided to leave a portion of an IRA to the university to add to their earlier gifts, which had created endowed scholarship funds in the business and engineering schools. “We think that supporting students
is extremely important, and places like Stanford are very unaffordable for a lot of young people,” John says. After all, today’s educational choices “will influence developments in the world for the next 40 to 50 years,” he adds, and he and Daryl hope their gifts will make a difference.

The Lillies’ IRA gift also is a testimony to John’s long-term commitment to Stanford, which included service as a trustee from 1988 to 1998. Friends’ experiences at Stanford initially led John to the university after graduating from South Pasadena-San Marino High School. He cherishes lifelong relationships with Stanford classmates, including a close 60-year friendship with a fraternity brother with whom he attended grammar school, high school, and Stanford.

**WATCHING STANFORD GROW—AND HELPING IT THRIVE**

Virginia Voegeli Royden, ’48, MS ’49, also has many lifelong ties to Stanford. She initially caught the Stanford bug from her high school French teacher on Long Island, who sang the praises of his alma mater. A physics major during World War II, Virginia excelled in math and science. At the time, because of the war, it was practically “a girls’ school,” she recalls, but not entirely: It was in a class at Stanford that she met her husband-to-be, Halsey Royden, ’48, MS ’49.

Hal later became a professor of mathematics at Stanford and served as dean of the School of Humanities and Sciences from 1973 to 1981, one of the longest terms in university history. Virginia also went back to the classroom, studying at the Stanford Graduate School of Business in the 1970s.

Virginia and her husband were part of Stanford’s transformation from a “rather small school” to a worldclass institution. “Hal saw a lot of the internal workings of the university,” she recalls. “He used to come home and tell me about [Provost] Fred Terman, of whom he thought very highly.” As time went on, “we watched Stanford becoming a major university. It’s great to see that when it’s your school,” she says.

After her husband passed away, Virginia and her three children got together to talk about honoring him with a gift to Stanford. “We very much wanted to leave some sort of memorial to Hal,” she recalls. Her children “were very enthusiastic” about a retirement plan gift. Virginia and her family decided this year to make Stanford the beneficiary of the couple’s IRA.

The gift will create an endowed graduate fellowship at Stanford. In this way, the Royden family will continue to help Stanford grow and thrive.

Bequests are vital to the long-term financial strength of Stanford University. When you include Stanford in your estate planning by making the university the beneficiary of your retirement plan, you help ensure Stanford’s future and contribute to the success of The Stanford Challenge.
Good Counsel

By Carol Kersten, JD ’82
Director of Planned Giving
for the Stanford University Medical Center

The experiences of Lauren Dunbar Keough, John and Daryl Lillie, and Virginia Royden (see story beginning on page 1) demonstrate that naming Stanford as a beneficiary of your retirement plan [e.g., IRA, 401(k), 403(b), Keogh, or SEP] can be an excellent way to establish a lasting legacy at Stanford. And as Doug Brown points out (opposite), retirement plan assets left to individuals (other than a spouse) may be subject to both estate and income taxes, sometimes resulting in as much as 65 percent going to taxes, while naming a charity like Stanford avoids all taxes with the full amount of the plan being distributed for the purposes the donor wishes to support.

Naming Stanford as a beneficiary of your retirement plan is usually relatively easy:

1. Request a new beneficiary designation form from your retirement plan administrator.

2. Fill out the form naming Stanford University (Tax ID# 94-1156365) as a beneficiary (you can leave a percentage of the plan, up to 100 percent, to Stanford) and file it with your plan administrator.

3. If you would like your gift to support a specific school or program, please contact the Office of Planned Giving (650.725.4358 or 800.227.8977, ext. 54358, e-mail: rememberstanford@stanford.edu) to document your wishes and to ensure that we can use your gift appropriately. (See the sample designation letter below.)

4. It is a good idea to make sure your estate planning attorney knows when you change beneficiaries of your retirement plan since it could affect other aspects of your estate plan.

Naming Stanford as a beneficiary of your retirement plan qualifies you for membership in Stanford’s Founding Grant Society. If and when you take this important step, please be sure to contact the Office of Planned Giving to let us know. We would love to add your name to the society’s honor roll!

Carol Kersten, JD ’82
Steve Gladfelter

Sample Designation Letter for Retirement Plan

I have designated THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY (hereinafter, “the Board”) as a beneficiary of my retirement account at: _____________.

This letter sets forth my wishes for the use of any distributions the Board receives from any of my retirement accounts on which you are named as beneficiary. [FOR ENDOWMENT GIFTS: The property comprising this gift may, for investment purposes, be merged with any of the investment assets of Stanford University, but it shall be entered in the university’s books and records as THE ___________________________ FUND (“the Fund”), an endowed fund. The Board shall spend the endowment payout from the Fund to further the objects and purposes of Stanford University.] [FOR EXPENDABLE GIFTS: My gift shall be fully expendable by the Board and shall be used to further the objects and purposes of Stanford University.]

Options

If you would like to restrict how your gift will be used, you may wish to substitute 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 creating any testamentary gift (i.e., a gift at death) that includes any type of restriction other than as listed above, to make certain that Stanford will be able to use your gift appropriately.
The Stanford Challenge: The Impact of Bequests on the Success of the Campaign

By Douglas M. Brown, ’59, MBA ’61

Bequests are an investment in the future vitality of the university, and they are already having an impact on The Stanford Challenge. A bequest from Susanna Atwell, ’37, will be used to fund a matching program for gifts from students and recent graduates. Matching gifts from these groups encourages the development of a habit of giving on their part, which means that the Atwell match will have a long-term positive effect on alumni giving.

In October 2006, Stanford University launched The Stanford Challenge, an exciting five-year university-wide effort focused on seeking solutions to difficult global problems and educating the next generation of leaders. The long-term, overarching goals of the campaign include initiatives in human health, international affairs, and environmental sustainability, as well as improving K-12 education and the arts.

At the close of the first year of the Challenge, the campaign has been, by any measure, an unqualified success. Faculty and students from departments throughout the campus have joined colleagues from a multitude of disciplines to launch ambitious research projects. (Read about their exciting work at http://storybank.stanford.edu.) And the university has made important strides in its efforts to reinvent graduate education and extend the renaissance in undergraduate education.

While the success of the Challenge ultimately will be assessed based on what the university, its faculty, and its students are able to achieve, that success will only be realized through the support of alumni and friends. And by this measure, the effort is also off to a phenomenal start. As of this writing, gifts to The Stanford Challenge total more than $3 billion, and we have made significant progress toward our goal of doubling the number of known bequest intentions to the university (see chart).

“Today’s planned gift can be a first step toward tomorrow’s solution: faculty and students working together across disciplines, making discoveries that will have an impact far beyond the campus.”
—Douglas M. Brown

This issue of Remember Stanford highlights one of the most effective ways to leave a bequest to Stanford: by making the university the beneficiary of your IRA or other tax-deferred retirement plan. These funds represent your lifelong savings, but they are subject to high levels of taxation if important steps are not taken. When you designate Stanford University as a beneficiary of your qualified retirement plan, you are acting to reduce or eliminate estate and deferred income taxes on the account at your death, while providing a benefit to the university.

If you are thinking about making a bequest, please contact the planned giving office at 800.227.8977, ext. 54358, or return the enclosed remit card. Every bequest intention, no matter the size, will count toward the bequest intentions goal for the campaign. When you let the planned giving office know of your intention, you can specify that your gift fund a favorite field of study, scholarships, or another university need of your choosing. Past bequests have funded the building of new facilities, financial aid for graduates and undergraduates, new programs, important research, and endowed professorships, to name a few.

Today’s planned gift can be a first step toward tomorrow’s solution: faculty and students working together across disciplines, making discoveries that will have an impact far beyond the campus. By making a bequest during The Stanford Challenge, you can help make a better future for everyone.

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

Before Alan Charles Root even began his business career, he’d already been part of world history. Born in Essex, England, in 1925, Alan served in the British Grenadier Guards and was a captain in the Intelligence Corps during World War II. He was a liaison officer at the 1945 Potsdam Conference—the diplomatic summit between Winston Churchill, Joseph Stalin, and Harry Truman that set the course for the postwar world. At the meeting, Alan helped translate from Russian to English, using language skills he had developed as a student at Oxford and Cambridge.

After the war, Alan traveled to the United States in search of new opportunities. As his friend Rankine Van Anda, MBA ’53, puts it, “He wanted to succeed, and he felt that the U.S. at the time was more progressive in its thinking business-wise.” Alan became a U.S. citizen in 1951. “He fit in well and liked the way business was done here,” his friend adds.

Alan attended Stanford’s Graduate School of Business, earning his MBA in 1953. He then went to work for some of the United States’ most prominent companies. He became a research analyst at Dow Chemical, then manager of marketing research at General Electric and vice president of business planning at Mosler Safe. When Mosler was acquired by American Standard, Alan became vice president of corporate planning there, rising to senior advisor and member of the boards of directors of several American Standard companies.

Even after retirement and a move to Las Vegas, Alan remained an avid business-watcher who invested worldwide. He was so astute in his stock picks that “even his brokers listened to him,” says Rankine.

Stanford’s Office of Planned Giving Staff

Stanford’s planned giving staff is ready to assist you in making the best philanthropic decisions for your financial needs. We are all experts in charitable gift planning, with considerable experience relating to charitable trusts, bequests, and other types of planned giving instruments. We enjoy making sure that donors make smart use of their assets for themselves and for Stanford.

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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.

RUTH APPLeBY, ’40, MD ’44, named Stanford as the beneficiary of an IRA valued at $104,174. She designated a portion of her bequest to the Department of Ophthalmology and the School of Medicine, leaving the rest of the gift unrestricted. In addition, during her lifetime Ruth established a number of life income gifts at Stanford that, upon her death, resulted in a total of $494,053 that is to be used in part to support the School of Medicine and in part for unrestricted support of the university.

ANNeTTe m. ARROwOOD, a friend, named the School of Medicine as the beneficiary of two retirement accounts totaling $444,425. The funds are to be used for medical research.

STANFORD w. ASCHeRmAN, ’47, left $2 million to endow the Stanford W. Ascherman, MD Professorship in the School of Humanities and Sciences and left the residue of his trust estate as an unrestricted gift to the university. His total bequest was $4,093,250.

PHILIP D. BUSH, ’38 (Parent ’71, ’75, MD ’87), left $10,000 in his will as an unrestricted gift. A fund to support undergraduate research has been established in his name.

JAMES FRIEDMAN, a friend, left the residue of his estate to endow the Jay Fund of Stanford University Libraries. His gift totaled $293,789.

MAREE GILL, a friend, left half of the residue of her estate, an estimated $700,000, to provide financial aid for undergraduate students. Her gift established the Maree Gill Scholarship Fund.

BERNARD LLOYD HINTON, PhD ’66, left the remainder from a charitable remainder trust to the Graduate School of Business for its current unrestricted use. In addition, his trust estate provided for another charitable remainder trust that upon the death of the income beneficiaries, will endow a fund to support PhD students in the Graduate School of Business. His gifts totaled $2,058,278.

ALAN HUTCHINSON, ’35, left $50,000 in his will for undergraduate financial aid.

JOSEPH C. KICE, ’46, provided $50,000 from his trust estate. He designated half of his bequest for the Hoover Institution and half for the university’s unrestricted endowment.

mARJORIe LEWISOHN, a friend, left the painting Courtesan with Hat (see photo at right) by Pablo Picasso to the Iris and B. Gerald Cantor Center for Visual Arts.

KENNETH S. LOOMER, ’33, ENG ’34, AND BONNIE B. LOOMER left a portion of their trust estate to support the School of Engineering, without further restriction. Their gift totaled $43,107.

D. MONTE PASCOe, LLB ’60, left a gift of $5,000 to Stanford Law School.

AUSTIN H. PeCK, Jr., ’35, JD ’38 (Parent ’63, ’65, ’72), gifted a portion of the residue of a trust, totaling $1,082,942. His gift is split equally between the Hoover Institution and Stanford Law School.

HAROLD V. SMITH, Jr., ’41, left an unrestricted gift of $1,000.

NICOLe HUve UNDeRwOOD, a friend, left specified gifts, mineral interests, and a portion of the residue of her estate to the School of Medicine. Her bequest, which is expected to total more than $9 million when it has been fully distributed, has created the Nicole Huve Underwood Fund for Cancer Research.

When Alan passed away in February 2006, he remembered the university that had nurtured and schooled his passion for business, making Stanford the beneficiary of an IRA and leaving the university an additional bequest. With his gift, Stanford has created a fellowship in his name for business school students from the United Kingdom or other foreign countries.

Rankine says Alan’s gift is a reflection of sentiments he had often heard his friend express: “There’s a debt there. We got a lot out of the business school, and we owe something in return.”
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.

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 the charity 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), SEP, 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.

* At press time, Congress is giving serious consideration to a one-year extension of the IRA rollover.

For more information about the events above and gift planning at Stanford, please visit our Web site at http://rememberstanford.stanford.edu or contact the Office of Planned Giving:
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