

The FOUNDERS SOCIETY Newsletter

WINTER 2015

News and opportunities from the Northeastern Illinois University Foundation

VISIONARY PHILANTHROPY

Bernard J. Brommel Blazes a New Trail at Northeastern

Professor Emeritus Bernard J. Brommel, Ph.D., is truly a champion of giving. He is the Northeastern Illinois University Foundation's first million-dollar donor, the first donor to name a building through a philanthropic gift (Bernard J. Brommel Hall), and a founding member of the Founders Society, those donors who have remembered the University in their estate plans. Brommel has created 24 named scholarships and awards at Northeastern. Each scholarship title includes names of honorees who are alumni, faculty, colleagues and friends with whom Brommel has worked. Every year, these Brommel scholarships provide substantial support to students in a wide variety of disciplines.



In August, Brommel accomplished another Northeastern "first," becoming the first donor to establish a Charitable Remainder Trust (CRT) within the NEIU Foundation. This new planned giving option offered by the NEIU Foundation enables donors to make gifts today that can provide tax benefits as well as lifetime income streams for themselves and/or their beneficiaries. Brommel established a CRT with assets valued at \$500,000, but it is possible to create one with as little as \$25,000.

The assets given to the NEIU Foundation through a CRT are invested and managed by the Foundation's investment fund manager, currently DiMeo and Schneider. From that investment of assets, income is generated and given to the donor and/or his or her designee(s). At the end of the donor's (and, if applicable, the donor designees') lifetime, the remainder of the trust comes to the NEIU Foundation as a charitable donation, hence the name charitable *remainder* trust.

These types of trusts, unlike other bequests, are irrevocable, and the assets used to create the trusts are given to the Foundation during the donor's lifetime. The donor can then enjoy the benefits of tax incentives, a reliable stream of income for the remainder of his or her lifetime and the satisfaction of being able to accomplish his or her charitable goals during his or her lifetime.

"I was thrilled to learn that the NEIU Foundation would be able to create this trust that will provide for me and for my loved ones after I'm gone," said Brommel. "Giving back is so important to me, and it is very meaningful to be able to make this gift while I'm still here to enjoy it. I hope my gift will inspire others to do the same, and to provide support for Northeastern long into the future."

Is a CRT an Option for You?

- Do you want to make a charitable gift but need to retain an income stream?
- Do you have assets (investment accounts, retirement accounts, publicly-traded stock) valued at \$25,000 or more?
- Would you, or your beneficiaries, benefit from a guaranteed income stream, either for a set period of years or for a lifetime?
- Do you have charitable goals that you would like to see accomplished during your lifetime?
- Could you benefit from a tax deduction this year?

If you answered yes to any of these questions, you may want to explore Charitable Remainder Trust options. Contact us at (773) 442-4202 or m-rodriguez44@neiu.edu.

Every donor is unique, and each gift to the NEIU Foundation is treated on an individual basis. The advice we provide is no substitute for the advice of a qualified attorney or financial planner. We encourage you to seek the professional advice that will help you best achieve your philanthropic goals.

Six Students Named to Who's Who List

Six students from Northeastern have been selected for the 2014 class of Who's Who Among Students in American Universities and Colleges. One of the most prestigious awards of the academic community, this award recognizes students who have excelled both academically and in the areas of leadership and campus/community involvement. All students are seniors at Northeastern. They include:

- Ebony D. Kennebrew, Justice Studies
- Tiffany J. Probst, Anthropology
- Antonio L. Villasenor, Anthropology
- Jordee Yanez, Spanish, Foreign Language & Literature; Justice Studies
- Yesenia Herrera, Earth Science
- Catherine A. Anderson, Nontraditional Degree Programs - Interdisciplinary Studies



Northeastern Ranks High in *U.S. News & World Report*

In its annual publication of "Best Colleges," *U.S. News & World Report* announced recently that Northeastern is one of the most ethnically diverse universities in the nation, and that our students graduate with the least debt among Midwest regional universities.

Northeastern, which this year shares the top spot among Midwest regional universities for ethnic diversity, has been on the list since 1997, the first year this category was established in the "Best Colleges" rankings.

Using Life Insurance to Make a Gift

Life insurance can be a great tool to use to make a gift to the University, and you can make your gift on a customized installment plan that best suits your needs and your philanthropic goals. By making a gift through life insurance, you could also realize savings or amplify your giving capacity.

Example 1: Michael wants to make a gift of \$5,000 annually for the next ten years, for a total gift of \$50,000. He could realize savings through the use of a life insurance policy:

- Purchasing an insurance policy with an annual premium of \$3,333 for 10 years could yield a cash value of \$50,000. Michael would be allowed a tax deduction of \$33,333, and the University would receive a \$50,000 donation.

Example 2: Jane plans to start giving \$5,000 annually and she wants to do this for the next 20 years, making her total gift \$100,000. She could amplify her gift through the use of a life insurance policy:

- Purchasing a policy with a \$5,000 annual premium for 20 years could yield a cash value of more than \$500,000. Jane would be allowed a deduction of \$100,000, and the University would receive a gift of more than \$500,000. While Jane invests the same dollar amount, the size of her gift, and her legacy, is amplified.

There are other ways to give using life insurance, such as donating a life insurance policy you currently own or a new life insurance policy, both of which allow a current income tax deduction. You could also assign the annual dividends of a policy to the University. This eliminates out-of-pocket contributions, yet still creates a tax deduction as dividends are paid. Or, you could amplify your gift by having the dividends purchase a new policy of which Northeastern is the irrevocable owner and beneficiary.

If making a gift through life insurance sounds like an interesting option, contact us or your experienced insurance agent.

Have You Remembered Us in Your Will?

Each year we receive unexpected gifts from alumni and friends. We want to identify future gifts so that we can help plan how the University's scarce resources are being used, such as buying new equipment, hiring a professor or adding a new building to campus.

While acknowledgment of donors is also very important, we want to enhance your giving experience as well. One way we can do this is by helping you choose where you want your gifts to be directed. You may want to purchase books for the library, add equipment to a science lab or ensure that future students will continue to receive scholarship support for their education.

Making a gift through your will is one of the most powerful tools you have to make a significant impact. Our staff is ready to answer your questions and help you achieve your philanthropic goals.

Interested in planned giving? Have questions?
Call (773) 442-4202 or email m-rodriquez44@neu.edu

Deciphering Charitable Gifts

The land of charitable giving is loaded with acronyms that sound mysterious and intimidating. CRATS and CRUTS are a couple of the more commonly used gift vehicles, and they allow the donor to receive income from the University as part of their overall gift. They vary mainly in the way the income stream is calculated.

A charitable annuity trust (CRAT) provides income in a percentage set at the making of the gift. IRS rules require the interest rate to be at least five percent annually, and it can never change throughout the life of the CRAT. Thus on a \$50,000 gift, the donor could receive \$3,000 a year based on six percent return and a \$50,000 deduction. The University would receive the \$50,000 gift at the donor's death.

The charitable remainder unitrust (CRUT), while fixed at a set rate at its initiation, may provide a varying amount from year to year. This is because the rate of return is based on a percentage of the value of the CRUT, which is re-valued annually to determine the payout amount. Thus, some payouts can be higher as the value of the CRUT increases, but can also decline in years when the assets are worth less. CRUTs funded largely with stocks are a good example of trusts that fluctuate as markets change.

Another acronym to know is the CLT, or charitable lead trust. It works the opposite way of the CRATs and CRUTs. The CLT allows the University to receive the income from assets donated to it, transferring the assets back to designated beneficiaries of the donor at his or her death. This is an excellent tool to avoid capital gains on highly appreciated securities or other property, while claiming a large tax deduction on the gift. For example, if a donor owns 10,000 shares of appreciated stock with a cost basis of \$3 a share that is currently valued at \$60 a share, the donor could avoid capital gains on \$570,000, while gaining a \$600,000 income tax gift deduction. At the time of the donor's death, the donor's heirs will receive the stock back at the stock's current value at the time of that transfer. Plus, the donor will have the satisfaction of accomplishing his or her philanthropic goals during his or her lifetime.

Our NEIU Foundation staff can help you decipher the many ways to make a gift. Just give us a call at (773) 442-4202.



The Benefits of Having an Updated Will

- You determine your wishes for the resolution of your life's savings and work, instead of a court with no knowledge of your desires or the needs of your family.
- You can provide for your family or a favored charity beyond your lifetime in a more cost-effective way.
- By avoiding estate taxes with your will, you can fund causes that are important to you, not as determined by the government.
- You have the peace of mind that an unforeseen event will not ruin your lifetime's work and bounty.

Did you know that wills are state-specific? If you've moved to a new state, you need to review your will!

Private donations make a difference! Discover more at

www.neiu.edu/giving

New Education Building Plans Announced

The new \$73 million Education Building at Northeastern will be designed by national architecture and engineering firm SmithGroup JJR. At 160,000 gross square feet, the new building will accommodate the span of teaching, learning, service and research needs of College of Education users. A full range of space types will be programmed, including general and specialized classrooms, clinics and laboratories for undergraduate and graduate students and faculty, and meeting and conference spaces. The project is currently in preliminary design stages.

“Northeastern’s new Education Building will become a gateway to the university as well as an anchor for expansion and development on the south side of campus,” said President Sharon Hahs. “This building also will provide more opportunities for systematic tools of support for first-generation and dual-language students, directly enhancing student success. As a nationally recognized top-degree producer of education degrees to Hispanic and Asian students, Northeastern is committed to continuing its success in filling the national need for more minority teachers.”

SmithGroup JJR was ranked Top 10 in design in the U.S. by *Architect*, the magazine of the American Institute of Architects. A national leader in sustainable design, the firm employs 353 LEED professionals and has earned 108 LEED certified projects. Notable recent projects include the new Education Building at the University of Wisconsin-La Crosse and the Electrical and Computer Engineering Building for the University of Illinois at Urbana-Champaign.



Two Northeastern Alumni Join Princeton Faculty

As of 2016, Princeton University will have two recent Northeastern alumni in their faculty ranks. This year, Keeanga-Yamahtta Taylor (B.A. '07 Board of Governors) joined Princeton as an associate professor in the Center for African American Studies.

In 2016, Desmond Jagmohan (pictured left) (B.A. '05 History and Philosophy), will join Princeton as an assistant professor of politics.

Jagmohan recently commented “Even though I was on the G.I. Bill, it was still not enough to essentially support me because I had to support myself. My mom worked in the kitchen of a hospital; she made very little money, and I didn’t have much support beyond that.” Jagmohan went on to say that Northeastern “provided an environment that was actually welcoming and conducive to non-traditional students.

Free Tax Services Provided by College of Business and Management Students

Students from Northeastern’s Accounting Club are providing free income tax filing services to the community to assist low and fixed-income families. The Ladder Up program serves individuals with an annual income of less than \$25,000 and families with an income of less than \$50,000.

Each year from February until mid-April, students complete tax returns for individuals and families on a walk-in basis.

The program provides a valuable service for the community while also offering accounting students hands-on, real-world experience. All tax preparations are supervised and approved by faculty of the College of Business and Management.

