



LEGACY GIFTS AT AGA KHAN UNIVERSITY

BEQUESTS AND OTHER LEGACY GIFTS

Thank you for considering a legacy gift — a “gift that costs you nothing now” — to Aga Khan University. Your gift will aid generations of students, scholars, researchers and patients to come, will help in securing the future of the University. Bequests and other legacy gifts have a profound and lasting impact on scholarship, teaching and research at AKU and are a continuing source of strength and support for the University. By including AKU in your estate plans, you will make a lasting contribution that will touch countless lives.

Gift planning — the field of legacy gifts — may enable you to make a larger gift than would be possible during your lifetime. Gift planning employs estate and tax-planning techniques both to maximize gifts to AKU and to minimize taxes on your estate — and will thus aid you in achieving your philanthropic, tax *and* financial goals.

If you are considering a legacy gift to AKU, the University recommends that you consult your family as well as your legal or financial advisor. You should take the necessary steps to ensure that you have made sufficient provision for your family and other heirs after you pass away. Your gift will then reflect responsible stewardship of family resources as well as charitable service to society.

C H A R I T A B L E B E Q U E S T S

In your will or living trust, you can make a gift of a specific dollar amount or a particular asset such as shares of stock, real estate or tangible personal property (such as a work of art or jewelry). You can also stipulate that AKU receive all or a percentage of your “residuary estate,” that is, what remains in your estate once all specific bequests, taxes and fees have been paid.

You can also make your bequest unrestricted or restricted. An unrestricted bequest allows the University to use the funds for institutional priorities at the time the gift is received. A restricted bequest is directed to a specific fund, purpose or department — and may bear the name of the donor or the donor’s family in perpetuity. A restricted bequest entails both legal and practical considerations; for instance, certain funds at the University — such as scholarships, fellowships, and Chairs — have minimum required amounts.

Should you wish to restrict the use of your legacy gift, we recommend you speak with Robert Sweet, Senior Philanthropic Advisor, to be certain your gift will achieve what you wish it to achieve; Robert will draw up a Memorandum of Intent for your review. His contact information is below.

Suggested text for a specific bequest:

- Unrestricted: “My estate trustees shall pay the sum of \$ _____ [or transfer assets with an equal value] to the Aga Khan Foundation USA, 1825 K Street, NW, Suite 901, Washington, D.C. 20006. I would like my gift to be used for the general purposes of Aga Khan University.”
- Restricted: “My estate trustees shall pay the sum of \$ _____ [or transfer assets with an equal value] to the Aga Khan Foundation USA, 1825 K Street, NW, Suite 901, Washington, D.C. 20006. I would like my gift to support Aga Khan

University; the Memorandum of Intent for a Testamentary Gift the University and I executed governs the disposition of my gift.”

Suggested text for a residuary bequest:

- Unrestricted: “My estate trustees shall pay _____% of the net residue of my estate to the Aga Khan Foundation USA, 1825 K Street, NW, Suite 901, Washington, D.C. 20006. I would like my gift to be used for the general purposes of Aga Khan University.”
- Restricted: “My estate trustees shall pay _____% of the net residue of my estate to the Aga Khan Foundation USA, 1825 K Street, NW, Suite 901, Washington, D.C. 20006. I would like my gift to support Aga Khan University; the Memorandum of Intent for a Testamentary Gift the University and I executed governs the disposition of my gift.”

RETIREMENT PLANS

You can name the Aga Khan Foundation USA/Aga Khan University as a beneficiary of your IRA or 401(k). The University will receive your gift only once you and your spouse pass away. Retirement funds bequeathed to children are highly taxed: over *half* can be lost to estate and income taxes. Since AKF USA is a nonprofit organization, your legacy gift from your retirement fund will pass to AKU wholly free of taxes.

Most retirement-plan administrators let you add or change a “beneficiary designation” online; doing so is quite easy and takes only 15 minutes or so. The official name of AKU for the beneficiary designation is: The Aga Khan Foundation USA/Aga Khan University.

LIFE INSURANCE

You can make a charitable donation with life insurance in two ways: you can simply name the Aga Khan Foundation USA/Aga Khan University as a beneficiary of the policy, or you can make the Aga Khan Foundation USA/Aga Khan University the owner and beneficiary of the policy. If you do the former, your estate will receive a charitable deduction equal to the policy’s death benefit. If you do the latter, you will receive a

charitable deduction for the fair market value of the policy at the time of your gift; you will also receive a charitable deduction for each of the premiums you pay (should premiums continue to be due). In general, whole life and universal life policies are the better policies for this kind of donation.

Many life insurance administrators let you add or change a beneficiary designation online; it is quite easy to do so and takes only 15 minutes or so. The official name of AKU for the beneficiary designation is: The Aga Khan Foundation USA/Aga Khan University.

B L E N D E D G I F T S

Many donors create an endowed fund now and supplement it with a legacy gift such as a bequest. For instance, a donor may give \$100,000 over five years to create an endowed scholarship fund bearing his or her name and add to it following his or her passing with a further gift from his or her will. Or a donor may give \$100,000 now to fund a space in a new building at the University and later create an endowed fund with a legacy gift — a fund that supports the teaching and research in that space.

I N F O R M A T I O N F O R E S T A T E A T T O R N E Y S A N D A D M I N I S T R A T O R S

Our legal name: Aga Khan Foundation USA/Aga Khan University

Our EIN: 52-1231983

Our address: 1825 K Street NW, Suite 901, Washington, D.C., 20006

While the final decision on the use of gifts is subject to the unfettered privilege of the Chairman of the Board of the Aga Khan Foundation USA, the Chairman customarily follows the donor's wishes.

O U R L E G A C Y S O C I E T Y

Should you include Aga Khan University in your estate plans, we do hope you will share that wonderful news with us: we would take great pleasure in welcoming you into our

Legacy Society. The Society is our way of saying thank you for remembering the University in your estate plans.

This information is general in nature and does not constitute legal or financial advice. We urge you to consult your financial or legal advisor (or both) before making your decision.

Should you have any questions at all on legacy gifts, please call or e-mail Robert Sweet, Senior Philanthropic Advisor, Principal and Planned Gifts. Robert's telephone number is 1.203.273.4080, his e-mail address robert.sweet@aku.edu.

T H A N K Y O U F O R W I S H I N G T O
S U P P O R T T H E C R I T I C A L W O R K O F
A G A K H A N U N I V E R S I T Y