



THE AGA KHAN UNIVERSITY

GIFT PLANNING AT AGA KHAN UNIVERSITY

# BEQUESTS AND OTHER FUTURE GIFTS

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Thank you for considering a future gift to Aga Khan University, a “gift that costs you nothing now.” 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 future 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 make a lasting contribution that will touch countless lives.

For many people, charitable giving is an integral part of their life. While gift planning can take philanthropy to the next level, doing so requires careful planning, negotiation, and counsel. An individual who wishes to achieve maximum value in a long-term gifting relationship with the University should consider gift planning. With such planning, money,

investment capital, and other assets that the donor gives to the University can provide him or her with a great sense of satisfaction, happiness, and purpose.

Gift planning enables a donor to consider larger gifts than would be possible during his or her lifetime. It employs estate and tax-planning techniques both to maximize gifts to AKU and to minimize taxes on the donor's estate. A future gift helps the donor achieve his or her philanthropic, tax, and financial goals all at once.

Many families have reached — or will soon reach — the point at which they must address the questions of transition, wealth transfer, and philanthropic planning. Families with a long-term vision strive to ensure that future generations will benefit from their successful enterprise; this vision is rarely complete without engagement in philanthropy.

The University recommends that all donors considering a future gift consult their family as well as their legal and financial advisors. Individuals should take the necessary steps to ensure that they have made sufficient provision for their family and other heirs after their demise. In this way the gift will 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 particular assets such as securities, real estate, or tangible personal property (such as works of art or rare books). You can also stipulate that Aga Khan University receive all or a percentage of the remainder of your estate, once specific amounts bequeathed to other beneficiaries are distributed and estate-related expenses are paid.

You can also make your bequest unrestricted or restricted. An unrestricted bequest permits 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 or carries in perpetuity the name of the donor or the donor's family. A restricted bequest entails both legal and practical considerations; for instance, certain funds at the University — such as scholarships, fellowships, and professorships — have minimum required amounts.

Should you wish to restrict the use of your future 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.

To make a specific bequest, please use the following sample text.

- Unrestricted: “I give to Aga Khan Foundation Canada the sum of [amount] for its own use absolutely. I would like my gift to be used for the general purposes of Aga Khan University.”
- Restricted: “I give to Aga Khan Foundation Canada the sum of [amount] for its own use absolutely. 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.”

To make a residuary bequest, please use the following sample text.

- Unrestricted: “I give to Aga Khan Foundation Canada all [or a stated percentage] of the residue [or remainder] of my estate for its own use absolutely. I would like my gift to be used for the general purposes of Aga Khan University.”
- Restricted: “I give to Aga Khan Foundation Canada all [or a stated percentage] of the residue [or remainder] of my estate for its own use absolutely. 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 AKU as a beneficiary of your Registered Retirement Plans (RRSPs and RRIFs). The University will receive your gift only once you and your spouse pass away. Retirement funds bequeathed to children are *highly* taxed: as much as 50% can be lost to estate and income taxes. Since the University is a tax-exempt entity, your future gift from your retirement fund will pass to AKU 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 Canada/Aga Khan University.

## L I F E   I N S U R A N C E

You can make a charitable donation with life insurance in two ways: you can simply name the Aga Khan Foundation Canada/Aga Khan University as a beneficiary of the policy, or you can make the Aga Khan Foundation Canada/Aga Khan University the owner *and* beneficiary of the policy. If you do the former, your estate will receive a charitable tax receipt equal to the policy's death benefit. If you do the latter, you will receive a charitable tax receipt for the fair market value of the policy at the time of your gift; you will also receive a charitable tax receipt 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 Canada/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 future 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 at death 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 future 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 Canada/Aga Khan University

Our Charitable Registration Number: 10007 2586 RR0001

Our address: 199 Sussex Drive, Ottawa, Canada, K1N 1K6

While the Aga Khan Foundation Canada Board of Directors has final discretion over the allocation of funds, the Board customarily follows the donor's wishes.

## OUR GIFT PLANNING SOCIETY

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 gift planning 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 and/or legal advisors before making your decision.*

*Should you have any questions at all on future 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.*

THANK YOU FOR YOUR INTEREST IN  
SUPPORTING THE CRITICAL WORK OF  
AGA KHAN UNIVERSITY