



Gift Methods

Bequests

The donor names the ADA Foundation in his or her will as the recipient of all or a portion of the donor's estate at death.

Examples:

To the ADA Foundation, Unrestricted - "I give to the ADA Foundation, an Illinois not for profit corporation, Chicago, Illinois, the sum of \$ (or percent of the remainder of my estate) to be used for the benefit of the ADA Foundation for its unrestricted purposes."

For a specific purpose - "I give to the ADA Foundation, an Illinois not for profit corporation, Chicago, Illinois, the sum of \$ (or percent of the remainder of my estate) to be used by the ADA Foundation for support of ."

To establish an endowed fund - "I give to the ADA Foundation, an Illinois not for profit corporation, Chicago, Illinois, the sum of \$ (or percent of the remainder of my estate) to establish a permanently endowed scholarship fund to be known as the -your name- Scholarship Fund (may be any name you choose; the minimum amount for an endowed fund varies by purpose). Income but not principal from this Fund shall be used to provide financial aid for deserving dental students at a university determined by the ADA Foundation Board of Directors. The Fund shall be administered by the Foundation's Secretary or other duly appointed officer. Unused income shall be added to principal."

Endowments: Scholarship, Award and other named endowment funds are established by the Foundation upon the satisfaction of specified gift minimums. Endowment fund principal is invested and the earned income is used to fund the designated endowment fund. Should the donor stipulate that the Fund be permanent, principal is not expended. This ensures that the endowment may be available in perpetuity.

Annuities

Gift Annuity: A donor makes a gift to the Foundation. In turn, the Foundation promises the donor (or beneficiary) a fixed dollar payment every year for life. The yearly payment is based on the amount of the gift and the age of the beneficiary at the time of the gift.

Deferred Gift Annuity: It is the same as a gift annuity, but payments do not begin until some mutually agreeable future date. For example, a 50-year-old donor might agree to make a cash gift now, but defer payments until he or she reaches age 65, when it would serve as a supplemental form of retirement income. The donor receives a current charitable deduction as above.

*The ADA Foundation provides this information for the benefit of potential donors.
It is not intended as legal or other professional advice.
Individuals should always consult their own professional counselors for such advice.*



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Other Planned Gift Opportunities

Charitable Remainder Trust: A donor's gift is placed in a trust managed by a designated trustee. From the trust, the donor or a person the donor has named receives a specified sum at set intervals - usually quarterly. When the beneficiary dies, or after a predetermined number of years, what remains in the trust (the "remainder") is used by the ADA Foundation. The annual payments differ according to the kind of trust. The donor receives a charitable deduction in the year of the gift for the present value of the remainder interest.

- An annuity trust pays the same fixed dollar amount every year. The yearly amount (annuity) is determined when the trust is established and must be at least 5 percent of the initial fair market value of the trust's assets.
- A standard unitrust pays a variable amount each year. The amount is equal to a predetermined percentage of the fair market value of the trust that year.
- A net income unitrust also pays a variable amount each year. The payout is equal to the net income produced by the trust that year, or a predetermined percentage of the total assets, whichever is smaller. With proper trust provisions, payments may be increased in some years to make up for earlier years when net income was lower than the predetermined percentage. An advantage of unitrusts is that the charity may receive non-income-producing assets into the trust, such as real estate, sell it, and reinvest the proceeds without capital gains tax liability.

Charitable Lead Trust: The donor establishes a trust and makes the charity the beneficiary for a specified length of time. During that time, the institution receives regular income from the trust. The payout to the Foundation depends on how the trust is structured (annuity trust or unitrust). When the time is up, the trust assets revert back to the donor or pass to someone designated by the donor (often an heir). The donor receives a charitable deduction in the year of the gift.

Life Insurance: Whole life and universal life policies are accepted by the Foundation. The ADA Foundation may be named as the policy owner with the donor making premium payments on the policy to the ADA Foundation. These payments are considered charitable gifts and are tax deductible to the extent allowed by law.

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