

Profile in Giving: Erma Handke Bolick



Erma Handke
Bolick

How can you make a modest gift today that will create a major gift tomorrow? The late Erma Handke Bolick chose a life insurance policy as a means to do just that, and it has brought a lasting benefit to the University of Alaska Anchorage.

During her career overseas in the U.S. Army, and later as controller for an Anchorage contractor, Erma Bolick gained a deep appreciation for education and how it contributes to international understanding. She decided a scholarship that allowed foreign students to study at UAA would be an appropriate way to give substance to this conviction.

Modest sum goes far

Erma consulted with her financial advisors about creating a scholarship fund that would accomplish her goal, but with a modest outlay of resources. A gift of life insurance provided the answer.

In 1989, she purchased a life insurance policy and named the University of Alaska Foundation

as owner and beneficiary. The premium payments she made during her lifetime to maintain the policy were considered charitable gifts and thus were deductible for income tax purposes.

When she passed away, the entire value of the policy was transferred to the Foundation along with what the policy had earned. Thus, Erma was able to create a sizeable endowment with only modest annual gifts.

Family shared her dream

“Mom consulted us about her plans for the endowment,” said her daughter, Theresa Wangstrom ’89. “It was exciting for us to be a part of shaping her commitment and vision to provide opportunities for international students to experience Alaska through Alaska’s higher education system.”

To learn more about how you can make a gift to the University through a new or existing life insurance policy, return the enclosed response card or call Scott Taylor at the telephone number shown below.



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If you are interested in joining the Legacy Society by providing for the University of Alaska through your will or estate plan, or if you wish to learn more about gifts of life insurance, please complete and return the enclosed card or contact the University of Alaska Foundation at the address to the right. If you have already provided for the University of Alaska in your will or estate plan, please let us know so we can thank you.

UNIVERSITY of ALASKA

Foundation *for the Future*

Financial and Estate Planning Ideas for Friends and Alumni of the University of Alaska • Spring 2008

Secure the Future for Loved Ones

You would not begin a home improvement project without making sure you have everything you need to complete it. You might talk to someone who has completed a similar project, make a list of the materials you will need, take measurements, and draw a rough sketch of your idea.

In much the same way, you cannot provide for your family's future economic security if you do not have the proper plans in place. Many professionals suggest beginning with a will, the basic building block of even the most complex estate plans.

A good place to start

Think of your will as a blueprint to help guide the eventual settlement of your estate. A thoughtfully written will, prepared in consultation with a qualified attorney, distributes property to those you wish to provide for, in amounts or percentages you determine. It also allows you to make gifts to family, friends, and charitable interests such as the University of Alaska who have earned a special place in your life.

Provide for heirs

Your will can provide loved ones and charitable interests with a particular amount, certain assets, or percentages of your estate. It also allows you to distribute your assets according to the individual needs of heirs. You can leave specific amounts to some people and have others share in the remainder of your estate.

Read on for more information on ways you can use your will and other estate plans to balance the needs of your loved ones with your philanthropic goals.

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Your Will Can be a Gift of Love

A well-planned will is a precious gift to your family and other loved ones. It protects you, your heirs, and your property. Your will can also benefit the University of Alaska and other charitable interests.

Charitable gifts in your will are an easy and effective way to remove assets from your taxable estate, tie up loose ends, and make sure your philanthropic goals are met.



WHAT A WILL CAN DO

Your will can accomplish much more than the distribution of your property. With a will, you can also:

- Designate who you want to care for your children if they are still minors
- Provide for management of property after your lifetime
- Waive requirements for filing complex accountings and other reports
- Make provisions for the University of Alaska, if desired

Choosing the Best Ways of Giving

The will is an extremely flexible instrument. Consider the different ways you can use your will to distribute property:

Leaving a fixed amount

Your will can specify a dollar amount to be given to a particular recipient. This can make sense if you would like to ensure that a certain amount is received by an heir before leaving any remaining assets to others.

Remember, however, that your financial situation may change over time. It is especially important to review your will and other plans periodically to be sure they reflect your current desires.

Designating specific assets

Similarly, you can use your will to leave a particular item or asset to others. As is the case when providing for a bequest of a dollar amount, this allows you to know exactly what a loved one or charitable interest will receive. Be careful, however, not to sell or give away any assets you have designated for others in your will.

It's also a good idea to discuss your intentions with the intended recipient in advance. You don't want to burden them with an asset they may not need or are unable to use.

Giving adjustable amounts

Leaving designated percentages of your estate allows you to give proportions rather than specific

amounts. The amounts received are then automatically adjusted as your finances change. Consider this option if you have less specific goals in mind.

Give "what's left"

The residue of your estate is what remains after all other distributions have been made. After first providing for loved ones in the amounts they determine to be appropriate, many choose to devote all or a portion of the residue of their estate to charitable use.

Wills offer flexibility

You can also combine the above methods in your will. For example, you might specify that certain amounts or properties go to certain people, then divide whatever remains by percentages among your charitable interests, including the University of Alaska Foundation.

Supplement your will

Other documents you may already have in place may determine how certain assets you own are ultimately distributed. For instance, if you own real estate jointly with another, your will may have little or no effect on the property's final disposition. In the case of life insurance policies or retirement plans, a beneficiary designation you signed years ago could determine who receives those assets, not the terms of your will. See page 3.

The 'Hidden Giving Power' in Life Insurance

Life insurance can offer versatile and convenient ways to give to charitable organizations. Prudent, forward-thinking people often make gifts utilizing it.

Consider these ideas about life insurance—and hidden ways you may use it to fulfill charitable wishes.

New potential in old policies

In the case of some policies, the risks against which they were intended to protect never materialized. You may not have needed to cash them in to help pay college tuition, for example. When these "unemployed" policies no longer required premium payments, dividends accumulated—usually in modest increments.

Such policies may lie concealed in the bottoms of drawers, file cabinets, or seldom-visited safe-deposit boxes, overlooked because they are effectively obsolete.

You may want to re-examine these policies in light of your current priorities. Review their provisions carefully. You may discover hidden gift potential.

Insurance you already own may find new "life" when you do one of the following:

1. Irrevocably designate the Foundation as owner and sole beneficiary of your obsolete policy. If it has a cash surrender value, you can often claim a corresponding income tax deduction.

2. Retain ownership of the policy but designate the Foundation as first, second, or last beneficiary.
3. Assign the policy dividends to the Foundation as tax-deductible charitable contributions.

Other opportunities

As part of your long-range planning, consider purchasing new life insurance, naming your loved one(s) as beneficiary(ies). This can "replace" assets put to charitable use in a taxwise manner.

Or purchase a life insurance policy irrevocably designating the Foundation as owner or sole beneficiary. The premiums are generally tax deductible. As always, be sure to confirm the tax consequences of life insurance and other gifts with your professional advisors.

In conclusion

Charitable giving and life insurance have gone hand-in-hand for many years. Today, as an asset owned by most American families, life insurance can offer a wonderful way to carry out your charitable intentions—especially in the case of an insurance policy bought a number of years ago and no longer needed for its intended purpose.

If you have any questions or would like additional information regarding charitable giving and life insurance, please fill out and return the enclosed response card.



Estate Planning and Philanthropy Can Be Partners

Your desire to continue to benefit your charitable interests can be a vital part of your plans. Charitable gifts can be included in your estate plan, sometimes with welcome benefits to you and your loved ones as well. Return the enclosed card for more information.