

# Bequests and Beneficiary Designations

## What is a bequest?

A bequest is a gift to UF made at the time of your passing, often through a will or living trust. Bequests also include gifts where UF is designated as a successor beneficiary of a financial or retirement account, or a life insurance policy.

## Benefits and Considerations

- ▶ **Show your support.** Establishing a bequest is a powerful way to demonstrate your support now by planning for your and the university's future.
- ▶ **Combine with current gifts.** Bequests are often combined with current gifts to increase the future impact. For example, you can establish a scholarship now, and add to it in the future through a bequest.
- ▶ **Revocable at any time.** Bequests are not payable until your death. You can amend or revoke your bequest at any time if your situation changes.
- ▶ **Membership in UF's Legacy Society.** Making a bequest to UF entitles you to membership in this elite group, which honors those who have provided for a planned gift to the university through their estate plan or other deferred gifts.
- ▶ **Designated purpose.** It is important to state the intended purpose of any gift. For example, a gift could be for scholarships, for a program or institute, or to support athletics. It is a good idea to share the purpose of your gift with the university in advance — to ensure your wishes are understood and can be carried out.
- ▶ **Unrestricted gifts.** A bequest might not be received by UF for many years. As a result, restrictions placed on the use of your gift should be as minimal as possible, since priorities and programs change over time. For this reason, you may want to consider making your bequest unrestricted — meaning it will be used at the discretion of the president or a school dean for the university or college's highest priorities.
- ▶ **Endowment vs. current use.** Donors will often direct that their bequest be included in the university's permanent endowment. This is a particularly effective way to leave a lasting legacy, since an endowment gift will support the purpose that is important to you, in perpetuity. Alternatively, a bequest can provide that your gift be expended in full for the intended use, which is often referred to as a current use gift.
- ▶ **Gift agreement.** A gift agreement is a formal document between a donor and a gift recipient. It ensures that the expectations of both the donor and recipient can be met over time and can continue to be met should the original context of the gift change. The agreement can provide guidance to the UF Foundation on the purpose of the gift without having to outline minor details directly in your will or trust document. These agreements can generally be created before, during, or after you draft or update your legal documents.

## How do I include UF in my will or living trust?

- ▶ **Amendment to existing documents.** If you already have a will or living trust, you can easily amend it to add UF as a beneficiary. In fact, it's a good idea to review your estate planning documents periodically to ensure your wishes and beneficiaries are properly set forth.
- ▶ **Flexibility.** A bequest can provide for a gift of a specific dollar amount, a particular asset (such as real estate, securities, or tangible personal property), or a percentage of your net estate.
- ▶ **Bequest language.** The following language may be used for making a gift to UF by will or living trust:
  - ▶ "I give, devise and bequeath to the University of Florida Foundation, Inc., a non-for-profit corporation existing under the laws of the State of Florida and located in Gainesville, Florida, \_\_\_\_\_ (percent of my estate, dollars, property, securities, etc.) to be used for \_\_\_\_\_ (name of program or fund) at the University of Florida."

*For bequests to the university's permanent endowment, please add: "This gift shall be added to the University of Florida's permanent endowment."*

## How do I add UF as a successor beneficiary?

- ▶ **Retirement plans.** Most retirement accounts [IRAs, 401(k)s, 403(b)s, etc.] allow the owner to select beneficiaries, who would receive any remaining plan assets at the owner's death. To designate UF as a beneficiary, contact the account administrator to request such forms.
- ▶ **Retirement account tax advantages.** Retirement plan assets can be taxed at more than 60% if left to heirs (ordinary income plus estate tax) — yet these plan assets transfer tax-free to UF.
- ▶ **Life insurance.** The issuer of your policy can provide you with the appropriate form to designate UF as a beneficiary of the policy.
- ▶ **UF's legal name.** The legal name to be used when adding UF as a beneficiary is: "University of Florida Foundation, Inc."
- ▶ **UF's federal tax I.D. number.** Some account administrators require UF's tax ID number to document your gift. That number is 59-0974739.

## CONTACT



*The UF Foundation (federal tax ID number 59-0974739) is a Florida nonprofit corporation exempted from federal income tax as a 501(c)(3) publicly supported charity. The UF Foundation does not provide legal, tax or financial advice. When considering planning matters, seek the advice of your own legal, tax or financial professionals.*

