

CHARITABLE GIFT
AND FINANCIAL
PLANNING IDEAS
FROM THE
UNIVERSITY
OF WISCONSIN
FOUNDATION

Spring 2012

W I S C O N S I N

Dividends



A will to do good

“Money is a great treasure that only increases as you give it away,” said Sir Francis Bacon. The English philosopher/scientist referred to the greatest kind of treasure—the act of helping others. Knowing that your generosity has benefited another person or an organization is a satisfaction that can’t be measured in dollars and cents but is priceless nonetheless.

Perhaps you are thinking about such a gift. Fortune has smiled on you, and thanks to hard work, smart investing and good luck, you have enjoyed success in life and are quite comfortable. You enjoy your family and your home and are able to fill your time with the pursuits that bring you happiness.

As you contemplate the future, you consider ways of ensuring that the unique spark that represents you—your interests, passions and dreams—continues to cast its light after you are gone. Perhaps you would like to help, in a significant fashion, a favorite institution or a cause in which you believe. You want to give for the greater good.

One of the best ways to accomplish this is through your will. By taking a few simple steps when preparing your estate plan, you can maximize the amount that will go to charity and minimize the amount “lost” to taxes.

Better still, you will have the satisfaction of knowing that you truly have earned a treasure—the heartfelt thanks of those whom you have helped.

A will to give

We all know that a will governs the distribution of certain assets after someone dies. But the document really says far more about one’s life

than one’s passing. Your will reflects the values and relationships—whether they be with family, friends, your place of worship or charities—that are most important to you.

To ensure that those people and charities receive your assets in the manner you intend, it is important that you prepare for probate.

In a strictly legal sense, the term “probate” means that a court establishes the validity of someone’s last will and testament. More generally, probate refers to all the steps necessary to settle an estate, beginning with locating and presenting the will to the court and ending with the final distribution and accounting by the executor.

While it may appear that a family member is a logical choice as executor, keep in mind the complexities and highly technical nature of many of the executor’s duties, such as keeping detailed accounts and settling with creditors. It may make more sense to have a professional fiduciary, such as a bank or an attorney, act as your executor because of their experience and expertise.

Sufficient planning for the following steps will help your executor ensure the smooth, swift and efficient settlement of your estate.



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www.supportuw.org

Locating your will

If your will cannot be found, an estate will be distributed according to the often inflexible intestacy rules of state government. This means any gifts you intended for a favorite charity will never be realized.

For that reason, it is important to keep your original will in either an attorney's vault or a bank vault if the bank is acting as executor. Keeping your will in a safe-deposit box can create delays, since many states restrict access to such boxes without court approval.

Collecting and safeguarding assets

Once your will is accepted for probate and the executor has been duly appointed by the court, he or she may be forced to literally go on a treasure hunt to locate bank accounts, stock certificates, safe-deposit boxes,

insurance policies, business records and other types of property.

The executor must make a detailed record of all property to file with the court, collect all debts, investigate all claims owed by your estate and manage property responsibly in your estate until liquidation. You will simplify your executor's job if you leave sufficiently detailed instructions about the location of all your assets, personal records, tax returns, bank statements and other documents. *Note:* This information also will be necessary for your executor to determine the taxes due on your estate.

Determining cash needs

Many estates, particularly those in excess of \$500,000, suffer from a severe shortage of cash. Funeral expenses, attorneys' and appraisers' fees, taxes and any debts—all must

be paid. To ensure that your assets are distributed to the recipients you intend, it is important to prepare for the liquidity issues your estate may face.

Distributing assets

An executor's most pleasant task is distributing estate assets in accordance with the terms of a will. You should first make sure that sufficient funds and property will be available to satisfy valid claims, pay taxes and satisfy specific bequests. If the value of the bequests exceeds the value of the distributable estate, for example, certain bequests may be reduced—or even eliminated.

Giving forethought and preparation to the preceding steps will guarantee that your estate will be settled quickly, in the way you would like.

Safeguarding your records and documents

Personal and financial records, legal documents, the original will and tax returns are all essential to an efficient settlement of an estate. As such, they should be safely stored and readily accessible when needed. The following chart lists those records and documents that will prove helpful, suggests where they should be stored and explains why they are important.

| Records and Documents | Location | Value |
|---|--|---|
| Original will | attorney's vault or bank vault (retain copy at home) | an irreplaceable document, essential for carrying out your estate plan |
| Investment documents (stock certificates, bonds, certificates of deposit, deeds and titles) | safe-deposit box | required for sale, distribution or collection |
| Insurance policies | safe-deposit box | required to make claims |
| Tax returns | file at home (keep irreplaceable records and receipts in safe-deposit box) | helpful to executor when filing final income tax return and estate tax return |
| Asset inventory | safe-deposit box | necessary to locate and collect property |

Federal estate tax modified

The gradual phase-out of the federal estate tax begun in 2001 was modified and extended by Congress in the closing days of the 2010 legislative session. The amount that is exempt from tax is now \$5,120,000 per person, and the top tax rate has been reduced to 35 percent. In addition to increasing the exemption amount, the new law generally allows any unused

Leave a record of the location of all assets for your executor.

exemption at the death of the first spouse to be used by the surviving spouse and added to his or her own exemption. Consequently, a married couple can pass up to \$10,240,000 free of any federal estate tax. This increase in the exemption amount and the portability of any unused exemption between spouses should eliminate the threat of federal estate taxes for all but the wealthiest Americans. However, unless Congress acts again, these changes are set to expire at the end of 2012.

While preparing your will, your attorney and/or accountant will likely tell you that making a gift of some of your assets is the easiest way to minimize taxes and reduce the need for liquidity. In addition, a gift by bequest often allows one to give more to a favorite charity than was possible with a gift during life, with its many attendant responsibilities.

Have a heart

Bob Hope was known for his wisecracks, but the comedian, who selflessly gave his time and talents over the decades to entertain American troops around the world, understood the intrinsic value of helping others. “If you haven’t got any charity in your heart,” he once said, “you’ve got the worst kind of heart trouble.”

If you have “charity in your heart,” it is important that you spell out your wishes in your will. You may have mentioned once in passing to cousin Teddy that you would like the University of Wisconsin Foundation to receive a certain amount, but unless your will makes that stipulation, it will not happen.

Whom should you give to? First, you will want to make sure that your heirs are taken care of. Then you might think about where your time is now spent—with the organizations and interests that matter the most to you, such as your place of worship, a service organization and the UW-Madison. As such, charitable gifts help perpetuate the ideals and causes you believe in.

How much should you give? The answer lies in your heart—namely, what feels right to you. Whatever your choice, you may be surprised at how the mere act of making this decision and including it in your will lightens your step and makes the world seem friendlier. “You have not lived until you have done something for someone who can never repay you,” Puritan John Bunyan once wrote.

Next steps:

Are you wondering what your best next step is? Maybe you’d like more information, or maybe you’d like to speak with us directly. Here are a few options:

- 1 Visit us online** at www.supportuw.org to learn more about how you can benefit the UW-Madison.
- 2 Return the reply card** to receive a free copy of our new booklet, *Planning Your Will: Charitable Insights and Options*.
- 3 Call us at 608-263-4545** to find out about how a gift to the UW Foundation will further the University’s mission and could provide income to you for life.
- 4 Email us** at uwf@supportuw.org. We’re happy to answer any questions you might have or send you more information.



Will provision works best

Even though he graduated from Northwestern University, Robert P. “Bob” Gleason has always held the University of Wisconsin-Madison, particularly its athletic teams, close to his heart.

That’s why he’s chosen to include in his will a bequest to support the University through the UW Foundation.

An accomplished high-school football and basketball player in his native Port Edwards, Wisconsin, Gleason hoped to be a Badger on the gridiron. His father, Edward P. Gleason, who earned his degree in mechanical engineering at the UW-Madison, was instrumental in creating a different path for his son.

“My father helped build the two paper mills on the Wisconsin River, in Port Edwards and Nekoosa,” Gleason says. “I was going to go to Wisconsin, and then my father had a lot of contacts in Chicago through the paper companies. He got me a deal at Northwestern, where they had just started a new technological institute.”

Bob Gleason attended Northwestern from 1940 to 1944, played end on Wildcat football teams quarterbacked by the legendary Otto Graham, and graduated with a degree in mechanical engineering. He describes a novel living arrangement for part of his time on campus in Evanston, Illinois.

“At Northwestern, they had the Naval ROTC,” Gleason says, noting that he, Graham and fellow teammate Alex Kapter “were about the only ones who weren’t in the NROTC. The war came along, and the NROTC took over all the fraternity houses where we had been living. They rushed the three of us down to Chicago and got us into the V5 Naval air program. They guaranteed us that we could graduate. The three of us had to live out of Dyche Stadium our senior year.”



Robert P. Gleason has provided to support the University of Wisconsin-Madison through his will.

After graduation, the trio went into the Navy Air Corps. “They split us up, and we played football for the preflight schools. Otto played at North Carolina, I played at Georgia and Alex played at Iowa,” Gleason says. “So we were pretty late getting into the Navy. When the war came to an end, they wanted us to go into the Reserve, but we all got out.”

Gleason was anticipating heading back to Port Edwards for a career in the paper industry when fate intervened.

“Ahead of us at Northwestern was Justin Dart,” he says. Dart had established himself in the world of pharmacy and owned a chain of stores that he renamed Rexall Drug in California.

“He corresponded with us during the time we were in the service. He offered quite a few of us who played football the chance to come out to Los Angeles and go through training at Rexall,” he says. “About 12 of us

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Will provision works best

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wound up in Los Angeles. That's how I came to California."

When Gleason met his future wife Ellen, he left Rexall and went to Hawaii. She was the granddaughter of William Cargill, who founded what is now Cargill Inc. "A friend of hers was chairman of the McKesson & Robbins drug company. They had five stores in Hawaii, and I oversaw those five stores."

Soon after, they settled on Ellen's ranch in Solvang, California, a Danish tourist town about 30 miles north of Santa Barbara. "She and her previous husband had planted these walnut trees on the ranch," he says. "So I took over and raised walnuts for about 25 years. She passed away suddenly. A few years later I sold the ranch and bought a new house here in Solvang."

He transitioned into a new career as a restaurateur with partner Vincent Evans. They owned The Danish Inn in Solvang and eventually bought the Pea Soup Andersen's group of restaurants out of bankruptcy.

In the seventies, the partners persuaded Kenneth Hansen, founder of the famous Los Angeles gourmet restaurant Scandia, to let them start a Solvang chapter of The Vikings philanthropic organization. Scandia was home to the original Vikings, which has had many celebrity members and supports people with diseases such as multiple sclerosis

and muscular dystrophy. Gleason had been a member of The Vikings at Scandia since 1960.

"We now have 200 members in our Solvang Vikings group," Gleason says. "It's all charity. We have no administrative expenses."

After his wife's death in the mid-seventies, Gleason and Evans "spent all our time together. He and I were just like brothers." Evans and his wife died in a crash of the partners' private jet in 1980—"the first time in those years that he and I didn't fly together, and that changed my life."

These days, Gleason spends most of his time in happy retirement in Solvang, but he returns to Port Edwards each year. "I still have the old family house back there, right on the Wisconsin River," he says. "I was

born and raised there, so I still go back every summer from about the middle of July until Labor Day."

He has a room in his Solvang home filled with Badger memorabilia, and at age 89 he attended the 2012 Rose Bowl game that saw the Badgers lose to Oregon. "Even though I went to Northwestern, I was still a Wisconsinite," he says. "While I ended up not going there, the UW was always my favorite, so I put both Northwestern and Wisconsin in my will."

A bequest made sense for him because "All my assets after my wife died were put in trust. They were irrevocable trusts, so the principal cannot be touched. Through my will," he says, "I can give back to Wisconsin."

Stay in touch with us!

The University of Wisconsin-Madison wants to stay in touch with you. As primary manager of the University's alumni and friends database, the UW Foundation continually seeks up-to-date contact information. You can update your information online by visiting www.supportuw.org/survey. Please use the identification number located above your name on the *Wisconsin Dividends* mailing label to log in to the website. You will help us to maintain accurate information that is shared selectively with the Wisconsin Alumni Association and any other campus departments and programs with which you may be involved as an alumnus, volunteer, faculty member or donor. Thank you!

On our cover: Students flock to Bascom Hill in the spring.



Agricultural Hall is among the most recognizable and beloved landmarks on campus.

We would like to send you a complimentary copy of our booklet
Planning Your Will: Charitable Insights and Options.

To receive more information, simply return the attached card or call:

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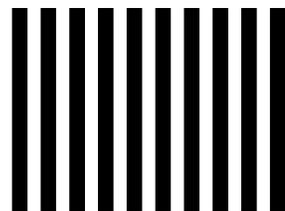
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University of Wisconsin Foundation Vision Statement

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