Greetings from the Office of Gift Planning and welcome to the inaugural edition of Tartan Traditions!

This periodic publication is designed to provide you with timely information on transformative philanthropic strategies and inspirational donor stories. Our goal is that Tartan Traditions will prove useful to you as you creatively consider your legacy at Carnegie Mellon.

As each of us considers our own impact on the future, we are reminded of the significant philanthropy of our founder, Andrew Carnegie. After making his fortune, Mr. Carnegie devoted his life to giving away his wealth, thereby cementing his legacy in Pittsburgh and throughout the world.

In his words, Carnegie conducted his philanthropy in order to “produce the most beneficial results for the community.” To that end, he urged his fellow industrialists to apply their “wisdom, experience and ability to administer” to better those institutions which did the greatest good in their communities.

Today, our university continues to draw upon Mr. Carnegie’s legacy. Thanks to the prudent investment of his fortune, and the generous contributions and service of generations of alumni, Carnegie Mellon stands as one of the world’s finest research universities. Our students and faculty are reinvigorating their local communities and remaking the world in which we live.

We are all beneficiaries of a Tartan tradition of enlightened giving and exceptional achievement. I hope you will enjoy exploring the ways we can preserve and pass on this tradition to future generations of Carnegie Mellon students.

Joseph O. Bull, JD
Executive Director of Gift Planning

To learn more, please visit our website: www.giftpreplanning.cmu.edu
THE IRA CHARITABLE ROLLOVER: 
What You Need to Know

By Theresa M. Schroeder, JD, Associate Director of Gift Planning

Making a gift to Carnegie Mellon from your IRA is a simple, tax-efficient way to support the University. A gift to CMU of your distribution from your IRA qualifies for the charitable deduction, therefore allowing you to deduct from your taxable income your IRA distribution.

For the past few years, donors have been able to make a tax-free transfer of their required minimum distributions (up to $100,000 maximum) directly to the University through an act of Congress (often called the “IRA Charitable Rollover”). As of the publication of this newsletter, Congress has not renewed this provision.

However, in recent years, Congress has acted to renew the IRA Charitable Rollover by year-end and many commentators believe that Congress will renew the charitable rollover late in 2015, making all rollovers made during 2015 tax-free.

If you are considering making a gift to CMU from your IRA by the end of 2015, the uncertainty of the passage of the IRA charitable rollover for 2015 should not deter you from considering such a gift. If the IRA charitable rollover is not renewed, you may still direct a portion or all of your annual IRA distribution to CMU. The distribution will be taxed at your marginal income tax bracket; however, your gift to CMU qualifies for a charitable deduction, resulting in a tax-wash for you in most cases.

Our office will keep you up to date on the status of the passage of the IRA Charitable Rollover for 2015. Meanwhile, if you are considering making a gift to CMU in 2015 from your IRA, please contact us as soon as possible and we will happily assist you and your IRA administrator with this process.
Dr. William F. Pounds:

INVESTING FOR THE FUTURE

By Catherine Davidson

Bill Pounds has had a remarkable career as a leading management educator, a financial advisor, and business leader, and he attributes his success in no small part to the remarkable learning environment he experienced as a graduate student at the Graduate School of Industrial Administration (now the Tepper School of Business).

Now, through his CMU charitable gift annuity, Bill hopes to sustain Tepper’s innovative approach to preparing future business leaders, while receiving lifetime income from his gift.

Upon receiving his bachelor’s degree from Carnegie Tech in chemical engineering in 1950, Bill worked for Kodak and then served in the Korean War. As his GI Bill eligibility was about to expire, he submitted a last minute application to the graduate business program at CMU.

“Little did I know that this school was breaking new ground in management research and education, and what happened there at that time has been enormously influential on business education ever since.” Once he finished his PhD in 1964, Bill joined the faculty at MIT’s Sloan School of Management and later served as its dean. He was a senior investment advisor to the Rockefeller family for several years and a director of several Fortune 500 companies.

He has also stayed actively involved with CMU by serving on the Board of Business Advisors at the Tepper School.

Bill and his wife, Helen, a Chatham College alumna, have two children, Julia and Thomas. They live in Cambridge, MA.

“Helen and I had already given Carnegie some scholarship funds,” Bill said. “But I knew that was only a small piece of what Carnegie gave me. A planned gift seemed to me a good way to provide the university with resources for future generations.”

As an investment professional, Bill well understands the multiple benefits of a charitable gift annuity that pays annual income to Bill and Helen during their lifetimes, part of it tax-free, as well as providing an up-front income tax deduction. The annuity will then support the Tepper School following their passing.

“This is a way to show my commitment to Carnegie Mellon while allowing me the use of the interest on the fund during my lifetime. I see it as a way of communicating my devotion to the university, with only a modest cost to us at the moment, and in a way that will have long term positive impact on the school and its students.”

For a copy of your Estate Planning Guide to help get you started, download it from our website at giftplanning.cmu.edu/guide or contact Joseph O. Bull, JD, Executive Director of Gift Planning, at 412-268-1948 or by email at askjoebull@andrew.cmu.edu.