



# THE SERAPHIM LEGACY SOCIETY

Gift Planning News and Ideas for Special Friends of St. Bonaventure University

WINTER 2014

## YEAR-END PLANNING IDEAS

In early 2013, Congress passed the American Taxpayer Relief Act (ATRA). Almost every taxpayer has been affected in some way by the new law, particularly those with higher incomes. In light of ATRA, you may want to take time this winter to reexamine both your personal and charitable financial goals.

Time spent considering your priorities is well worth the effort. You may be able to maximize your charitable gifts by taking advantage of tax planning opportunities, savings and other welcome benefits.

If you are interested in possibly reducing your taxes, making charitable gifts can be an excellent way to support causes that are important to you in tax-favored ways.

### Use the law to your benefit

When considering plans for the remainder of 2014, it is important to keep in mind that many tax deductions, including mortgage interest and property taxes, are

influenced by loan terms and other factors beyond your control. Your charitable gifts, on the other hand, are completely under your control.

With careful gift planning, you may be able to make special gifts while reducing taxes owed for this year. Those with higher tax rates will experience greater savings. Maximize your tax deductions by completing your gifts by December 31.

### Prepare now for the future

You may also wish to review your long-range financial and estate goals as you look toward 2015. Through thoughtful planning today, you can help ensure economic security for yourself and others, and fulfill your charitable goals.

In this newsletter we share helpful ideas you may wish to consider as you address your plans for this year and next. We will be pleased to share additional information with you or your advisors with no obligation upon request.



This academic year, the University proudly celebrates The Power of a Bonnie and the 10th anniversary of our president, Sr. Margaret Carney, O.S.F., S.T.D., (pictured here with Azure Collins Anderson, '17).

## INSIDE:

- Enjoy additional savings
- A gift that keeps giving
- Donor Spotlight: Pete Fennell, Class of 1953

## FOR THIS DONOR, ST. BONAVENTURE IS EVERYWHERE

When class of 1953 alumnus J. Peter (Pete) Fennell talks about St. Bonaventure, a variety of stories quickly come to mind.

Here is one of Pete's favorite Bona stories, in his own words:

*In early August 1954, several St. Bonaventure graduates were stationed together at Ft. Riley, Kansas. Four of us went to nearby Kansas City for the weekend. On Sunday morning we went to Mass in downtown Kansas City.*

*After we left Mass, we had some breakfast, then realized we had spent most of our money. We were almost broke. One of the guys said, "Maybe we can borrow a few bucks from the priest at the church."*

*So we went back to the church and explained our plight to the tall, middle-aged priest, Monsignor James Collins. We also mentioned we had graduated from a small Catholic college in upstate New York.*

*"Where did you go to college?" he asked. "St. Bonaventure University," we replied. An easy smile came to his face, and he said, "Follow me."*

*Msgr. Collins opened the door to his study and hanging on the wall was a large St. Bonaventure banner. He told us he had attended St. Bonaventure as a seminarian and lived in Devereux Hall before he was ordained.*

*We shared a few Bona stories, and then Msgr. Collins said, "Here is \$200, a few dollars*



Pete Fennell  
Class of 1953

*to get you back to Ft. Riley." He also asked us to use the rest of the money to take his best friend and fellow seminarian from St. Bonaventure, Msgr. Joseph Merchant of the church in Manhattan, Kansas, to dinner at the Officers Club. We promised we would (and on several occasions we did dine with Msgr. Merchant).*

*"Good luck fellows. You made my day," Msgr. Collins said as we departed.*

*The following Tuesday when I got off duty, I called the rectory at the church in Manhattan. A lady answered the phone and I asked if Msgr. Merchant was in. She asked who I was, and I replied, "Lt. Fennell from Ft. Riley." She replied, "He has been waiting for your call."*

*This just goes to show The Power of a Bonnie! I'll never forget this story—or how much St. Bonaventure University has impacted my life.*

What Pete learned from Msgr. Collins was the power of giving back. Now he not only makes an annual gift to the University, but has become a member of the Seraphim Legacy Society and has named St. Bonaventure in his estate plans.

"As a first generation college student, what I was able to attain thanks to my Bona education is amazing," Pete said. "I hope others will support the University in their estate plans, too, and impact the lives of future students."

Pete is retired and lives in Elmira, New York.

### PLANNING OVERVIEW

- Act now to maximize tax savings on your 2014 income tax return.
- Save all receipts and/or acknowledgment letters, especially for gifts of \$250 or more.
- Consider making gifts of securities that are worth more than you paid for them for greater tax benefits.

## ENJOY ADDITIONAL SAVINGS

Should you wish to make charitable gifts before the end of the year, you may want to pay particular attention to what you choose to give and when you choose to give it.

### Maximize deductions

If you are interested in eliminating tax on up to half of your 2014 adjusted gross income (AGI), you might want to consider making immediate cash, check or online gifts. These gifts must be completed by December 31 to receive tax benefits. Please visit [www.sbu.edu/donate](http://www.sbu.edu/donate).

In some instances, gifts may be carried over to reduce taxes in up to five additional years. As an added incentive, charitable gifts are deductible from both regular and alternative minimum taxes. This may not be the case for other deductions.

### Benefits of giving securities

As you consider giving, keep in mind that certain assets owned for more than one year are generally deductible at their full current value. Specifically, this can include assets such as stocks and mutual funds that are currently worth more than you paid for them.

When you give these assets, you can deduct not only what you paid for the property, but also any “paper profit” or gain in the investment. Consequently, on top of regular tax savings, you may also be relieved of capital gains tax that would otherwise be due on a sale of the donated assets.

For example, John and Kathy normally make charitable gifts in the form of cash. This year they chose to give stock that has increased in value since they have owned it. They are then able to deduct the full value of the stock while completely bypassing capital gains tax. See the chart at right for more details.

### Secure stock value while making gifts

Laura owns securities that are worth significantly more than she paid for them. She believes they may continue to increase in value but is not sure. Instead of giving cash, Laura

### Example of \$10,000 gift

	Sell Securities and Give Cash		Give Securities	
Asset Value	\$10,000		\$10,000	
Cost	\$4,000		\$4,000	
Taxable Gain	\$6,000		\$0	
Capital Gains Rate	15%		0%	
Capital Gains Tax	\$900	<b>Net Tax Savings \$2,600</b>	\$0	<b>Net Tax Savings \$3,500, 35% Greater</b>
Amount of Gift	\$10,000		\$10,000	
Income Tax Rate	35%		35%	
Income Tax Savings	\$3,500		\$3,500	
Net Tax Savings	\$2,600		\$3,500	
Number of Transactions	2		1	

decides to make a gift using these securities. She is entitled to a tax deduction for their full value.

By using the cash she had originally set aside for giving, Laura is able to repurchase the same number of shares at the current market price. She now owns the same number of shares as before, but she has effectively locked in a new, higher cost basis. Additionally, she is able to forego tax on the increase in value prior to the time of her gift.

If the new shares increase in value, Laura will have less gain to report when she eventually sells the stock. If their value declines, she may be able to deduct the loss for tax purposes.

### Giving securities can be simple

You may want to check with your advisors for more information about tax-favored gifts of securities and other assets. In most cases, a gift of securities is very easy to complete. For instructions on transferring a gift of stock, please contact Diane Frick, Director of Advancement Operations, at (716) 375-7884 or [dfrick@sbu.edu](mailto:dfrick@sbu.edu).

## A GIFT THAT KEEPS GIVING

The end of the year may also be a good time to review your long-term plans. If you want to make a meaningful and lasting gift, an endowment gift can be a wonderful way to achieve your goals.

With an endowment gift, you can leave a legacy that provides permanent and reliable support, allowing St. Bonaventure to create and maintain excellence in academics beyond what can be accomplished from tuition alone. Endowments can be designed for particular programs, such as library funds, scholarships, fellowships, academic chairs or other long-term purposes and may be established with an outright gift of cash or with a gift of appreciated property such as securities or real estate.

Endowments can also be created through a gift by will, a charitable trust or other life income plan, or the remainder of a retirement plan or the proceeds of an insurance policy. Gifts may be given or pledged over a number

of years. You and others may add to your endowment at any time, including through bequests and beneficiary designations.



St. Bonaventure ranks No. 1 in New York and No. 3 in the North on *U.S. News & World Report's* 2015 list of best values.

### JOIN THE SERAPHIM LEGACY SOCIETY

The Seraphim Legacy Society honors alumni and friends who preserve and pass on the St. Bonaventure promise through a gift in their long-range estate plans. If you would like to learn more about how to make a legacy gift to St. Bonaventure in your will, trust or other plans, please return the enclosed card or contact Robert Keenan, Associate Director of Planned Giving, at (800) 664-1273, opt. #2.



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