

A Gift by Will

U.S. Edition

When family and friends are cared for, we hope you will remember Carleton University in your estate plans. Your legacy gift will brighten the future of every student who is touched by your thoughtful generosity.

A gift by will is a meaningful way to support Carleton. Known as a charitable bequest, a gift in your will is a simple, flexible, and versatile way to ensure the types of programs and experiences that positively impacted you will continue for years to come.

Your legacy at Carleton University could make a world of difference. It could be a lasting contribution to the future as an endowed fund where Carleton invests your donation and uses only the earned income. In this way, your fund will grow over time and outpace inflation. Income is awarded annually in the donor's name. Endowed scholarships and bursaries are the best examples.

If you would rather make an immediate impact, your gift by will could be directed to the President's Strategic Priorities Fund.

A gift to the President's Strategic Priorities Fund ensures that your support goes directly to where it is needed most. By donating to this fund, you are providing the flexibility for the University to make a positive impact in a high-priority area. Allocated by the President, all funds will be used towards initiatives that advance teaching and learning at Carleton University while aligning with Carleton's Strategic Integrated Plan.

Supporting the mission of Carleton University should give you great satisfaction. We welcome the opportunity to work with you and your advisors to develop a gift plan that will be personally meaningful to you and bring maximum benefit to Carleton. You can consult directly with us to have a custom clause prepared for you or have your attorney call us to discuss your plans in confidence.

Arranging a Gift in Your Will

Whether you are considering a revision of your current will, or you are about to have a will drafted for the first time, arranging a gift in your will is easy to do.

The easiest, least expensive way to make a small change in your existing will is to add a codicil, which retains all the provisions, except those modified by this addition. If you have a will and are considering a legacy gift, the addition of a codicil should be discussed with your attorney.

Unrestricted or Restricted

A legacy gift for Carleton University falls into two basic categories:

- **Unrestricted** gives full discretion to the University. If you prefer to have the University decide how your gift will be allocated, an unrestricted gift allows the most flexibility.
- **Restricted** for a purpose designated by you and approved by the University. When describing a legacy gift to Carleton University, it is common to specify the purpose. You may prefer to know that your legacy will support a specific Faculty or student financial aid; perhaps give a boost to athletics or research; be endowed or expendable; or be given over to a fund you have supported over the years. Please seek guidance from a Carleton gift planner in advance of writing a restricted gift in your will.

Because the University's priorities are ever changing, we strongly recommend that you include authorization in your will enabling the University's Board of Governors to make changes in use of all restricted legacy gifts. Carleton University will only make changes in keeping as close as possible with the spirit and general intent of the gift. It is important to us to honour your intentions.

A DEFINITION: most people are uncertain about the meaning of words and terms used in estate and charitable gift planning. For the remainder of this document we use the word "bequest" as synonyms for both "gift by will" and "legacy gift". They are only used here in the context of arranging charitable gifts.

The Most Common Types of Bequests

- **Residual Bequest:** Carleton University receives a portion of the remainder of your estate after other specific legacies have been fulfilled.
- **Specific Bequest:** Carleton University receives a specific dollar amount or stated fraction of your estate or a specified gift of property (collections, art, books, real estate, etc.)
- **Contingent Bequest:** Carleton University would receive a stated share of your estate, but only in the event of the prior death of other named beneficiaries.

Will Clauses

The information below contains suggested wording that will assist you in discussions with your attorney and has been prepared for the use of legal, estate and financial planners when acting for clients who wish to make legacy gifts by will to Carleton University.

The suggested clauses are examples only and can be amended to suit particular applications. We can write custom clauses for your individual needs.

1. Capital Bequest, Unrestricted Use

“I give, devise and bequeath to Carleton University, a Canadian charity with Registration # 11883 8937 RR0001, the sum of \$ _____, (or % share of my estate) for the use and purposes of the University as its Board of Governors may determine”.

2. Capital Bequest, Restricted Use

“I give, devise and bequeath to Carleton University, a Canadian charity with Registration # 11883 8937 RR0001, the sum of \$ _____, (or % share of my estate) to be used for _____”.

3. Income, Restricted Use

“I give, devise and bequeath to Carleton University, a Canadian charity with Registration # 11883 8937 RR0001, the sum of \$ _____, (or % share of my estate) to be held in an endowment fund, and kept invested, with the income from it to be used by _____ (the University or name of specific department) as it may determine for [the establishment and maintenance of student awards, scholarships, fellowships or bursaries]”. This clause can be extended to include a specific discipline as follows: “... for study in _____ or related fields”.

4. Named Fund, Restricted Use

A designated gift as in point 3 endows the capital and uses only the annual earned income to fund specific awards or programs and will create a lasting memorial. The above clause can be extended even further to include: "... the endowment fund shall be known as _____"; or, "... I would like to have the name of _____ (or my name) associated with this gift"; or, "... I am making this gift in tribute to _____".

[A minimum of \$25,000 is required to establish a named endowment for undergraduate purposes and a minimum of \$50,000 is required to establish a named endowment for graduate purposes.]

5. Residual Bequest, Unrestricted Use

"I give, devise and bequeath to Carleton University, a Canadian charity with Registration # 11883 8937 RR0001, the whole of (or % share of) the residue of my estate to be used at the discretion of the University".

6. Contingent Bequest, Unrestricted Use

"If any of the beneficiaries named in this will should die before becoming entitled to receive their distributive share of my estate, I direct my trustee to pay or transfer the share to which such beneficiary would otherwise be entitled, to Carleton University, a Canadian charity with Registration # 11883 8937 RR0001, for the use and purposes of the University as its Board of Governors may determine".

Power to Vary Purposes Clause

Over time, the needs of the University will change due to revisions of program offerings, developing research interests and external considerations. For that reason, we encourage you to insert the following clause into your will.

"In the event that circumstances make the specified use of this gift no longer practical or desirable, the Board of Governors of Carleton University are hereby authorized to make changes in its use in keeping as close as possible with the spirit and general intent of the gift".

Carleton University Endowment Fund

Carleton University offers you the ability to participate in the endowment fund by creating your named fund (\$25,000 minimum for undergraduate purposes or \$50,000 for graduate purposes) that endows those areas or programs in which you have an enduring interest.

Benefits

- Creates a lasting memorial as endowments are established in perpetuity
- Extremely flexible...the gift plan could begin immediately, after a predetermined time or when a gift is realized from the estate.

Tax Benefits

There can be significant tax benefits as well. The tax treaty between Canada and USA allows deductions for charitable bequests. Under the Canada-United States Income Tax Convention, a citizen or resident of the United States is entitled to a charitable deduction for gifts to a Canadian university, provided he or she or a family member is or was enrolled. (Family member includes spouse, children, grandchildren, parents and siblings).

A Word About Endowed Gifts

Donors who are considering endowment gifts, especially in their estate planning, should discuss their ideas first with a gift planner at Carleton University. Endowments are permanent funds with a very long-term horizon and as such, the purpose for each endowment gift should also be very forward looking. We have the professional expertise in the Department of University Advancement to guide donors and their advisors in establishing terms of reference that have lasting and meaningful purposes.

If you are an alum or a family member then you can plan your donation directly to Carleton University. If these conditions do not apply to you, your gifts should be made to our affiliated U.S. Foundation: Carleton University Foundation (U.S). The foundation is a 501(c)(3) tax-exempt public charity recognized under the U.S. Internal Revenue Code. Carleton University Foundation (U.S.) Tax Exempt ID number is 52-1970455.

Canadians with American Assets

If you are a Canadian and own assets in the USA, the distribution of those assets from your estate may be subject to USA Gift and Estate taxation. The rules concerning your assets and property located in the USA and the final distribution in your will are different south of the 49th. As a rule of thumb, American residents and taxpayers are permitted to donate by will, their taxable US assets (stocks, real estate etc.) to a Canadian charity, but unlike in Canada, the testator must specify those assets in the will to be used for a charitable gift, to ensure they qualify for the US Estate Tax Charitable Deduction. The Canadian estate trustee/executor does not have the authority to make that decision on your behalf. You may even want to consider multiple wills to deal with assets owned in foreign jurisdictions.

Carleton does have an American affiliate charitable foundation to facilitate donations by our US-based alumni and friends. Gifts may be made to Carleton University Foundation (U.S.), which is a 501(c)(3) tax exempt public foundation registered in Washington, DC.

Certain gift and estate tax exemptions only apply to American “citizens”, whereas those who are “permanent residents” might not qualify. People with US investments may be subject to US estate taxation and should seek specialized advice from a qualified attorney.



Carleton University Foundation (U.S.)
The foundation is a 501(c)(3) tax-exempt public charity recognized under the U.S. Internal Revenue Code.
Carleton University Foundation (U.S.) Tax Exempt ID Number is 52-1970455.
1455 Pennsylvania Avenue NW, Suite 400
Washington, DC 20004 U.S.A

For more information, please call, email or write to:

Holly Greatrex **Meghan Maack** **Owen Brady**

Personal and Planned Giving

Carleton University | 4104 HCI | 1125 Colonel By Drive
Ottawa, Canada K1S 5B6

Email: plannedgiving@carleton.ca

Website: carleton.ca/planforgood

Office: 613-520-3636



Anyone who is considering a charitable gift in their will should seek independent legal and financial advice. Your will is your most important financial plan, so please don't leave it to chance.

Your financial and family situation is unique to you. Our gift planning specialists are pleased to work with you and your advisors to develop a gift plan that is right for you.

The material in this document is provided as a service to alumni and friends of Carleton University but is not intended as legal or financial advice. Please consult with your professional financial, estate and gift planning advisors to determine the best course of action and plan for you and your family.