



## Ways to Support Fordham's Work

### *What is the Fordham Institute and Why Should I Support It?*

The Thomas B. Fordham Institute is the nation's leader in advancing educational excellence for every child through quality research, analysis, and commentary, as well as on-the-ground action and advocacy in Ohio. We advance high standards for schools, students and educators; quality education options for families; a more productive, equitable and efficient education system; and a culture of innovation, entrepreneurship, and excellence.

We promote and contribute to the education reform movement by producing rigorous policy research and incisive analysis; building coalitions with policy makers, donors, organizations and others who share our visions; and advocating bold solutions and comprehensive responses to education challenges, even when opposed by powerful interests and timid establishments.

The roots of today's Fordham Institute can be traced to a generous planned gift by Thelma Fordham Pruett, whose

bequest funded our modest endowment. To support our work, we also depend on financial help from individuals, foundations, and corporations that share our principles and purposes. In addition to annual giving and project support, we rely on the generosity of those who sustain Fordham's work into the future and ensure its financial viability via their estate plans and other planned-giving strategies.

The Thomas B. Fordham Institute is recognized by the Internal Revenue Service as a public charity under section 501(c)(3) of the Internal Revenue Code. As such, contributions to the Institute are tax deductible for most donors. Donations may take the form of cash, publicly-traded securities, life insurance policies, will or trust provisions, or retirement assets. In addition, there are several established planned giving arrangements, suitable primarily for large donations, which permit donors to achieve personal and family financial goals while also providing durable financial support for the Institute.

## *How to Give*

There are a variety of ways to make a planned gift to The Thomas B. Fordham Institute. This document describes some of the most popular giving options.

### **1. Outright Gift**

You can make an outright gift of cash, stock, bonds, or mutual funds to the Thomas B. Fordham Institute and receive a federal income tax deduction. In the case of gifts of appreciated property, such as stock, you will be able to deduct the value of the property on the date of the gift without recognizing any capital gains as a result of the gift.

### **2. Bequest**

You can make a planned gift to the Thomas B. Fordham Institute at death through a bequest under a will or a gift under a revocable trust. The amount of an estate gift will be deductible for federal estate tax purposes. We suggest the use of the following language to carry out your wishes.

#### *Residuary Gift*

I give all/\_\_\_ percent (\_\_\_%) of the rest, residue and remainder of my estate/trust to the Thomas B. Fordham Institute, 1016 16<sup>th</sup> Street, NW, 8<sup>th</sup> Floor, Washington, DC 20036, to be used for such purposes as the Board of Trustees of the Institute shall determine.

## *Specific Gift*

I give \_\_\_ Dollars (\$\_\_\_\_\_) to the Thomas B. Fordham Institute, 1016 16<sup>th</sup> Street, NW, 8<sup>th</sup> Floor, Washington, DC 20036, to be used for such purposes as the Board of Trustees of the Institute shall determine.

Unrestricted bequests or trust provisions permit the Institute to use your gift where it is most needed. You may, however, add preferences or recommendations regarding the use of your gift. For example, "...to be used to support high-quality charter schools in southwestern Ohio and for such other purposes as the Board of Trustees of the Institute shall determine." Donors indicating preferences or considering restrictions on their gift should be aware that, because specific circumstances and opportunities inevitably change over time, it is important that the Institute trustees have the flexibility to advance the spirit of the gift as they find most appropriate. If you're thinking about incorporating preferences or restrictions in your gift, please consult the Thomas B. Fordham Institute to ensure that our strategic priorities align with your interests.

### **3. Retirement Plan**

You can name the Thomas B. Fordham Institute as a beneficiary of a part or all of your IRA or qualified retirement plan. Your estate will receive a federal estate tax deduction for the amount given. The distribution to the Institute will be income tax free to the Institute and to your estate.

#### **4. Charitable Remainder Trust**

A charitable remainder trust allows you to receive an immediate income tax deduction while retaining the right to regular distributions from your gift until your death or for a period of years. At the end of the term of the trust, the amount remaining will pass to the Thomas B. Fordham Institute. You will be entitled to an income tax deduction based on the actuarial value of the Institute's remainder interest determined under IRS tables. You may also name another person to receive the annual distributions.

There are two types of charitable remainder trusts, a charitable remainder unitrust and a charitable remainder annuity trust. Under a charitable remainder unitrust, you are entitled to receive a distribution each year equal to a percentage of the value of the trust during that year. For example, if you create a 5% charitable remainder unitrust, you will be entitled to 5% of the value of the trust determined on a particular date each year, usually January 1. As the value of the trust changes from year to year, the amount of the payment will change also. If in year 1, the trust value is \$100,000, you will receive \$5,000. If in year 2, the value of the trust increases to \$110,000, you will receive \$5,500.

Under an annuity trust, the donor is entitled to the same distribution each year. For example, if you create a 5% annuity trust with \$100,000, you will be entitled to \$5,000 each year.

#### **5. Charitable Lead Trust**

A charitable lead trust pays an amount to the Thomas B. Fordham Institute each year for a set period of years. As in the

case of charitable remainder trusts, there are two types, a charitable lead unitrust and a charitable lead annuity trust. The amount paid to the Thomas B. Fordham Institute each year will be either a unitrust amount or an annuity as described in Paragraph 4. At the end of the term of years, the remaining property will pass to your designated beneficiaries, often children or grandchildren. You will not normally receive an income tax deduction for any portion of the amount contributed to a charitable lead trust. For gift tax purposes, however, the amount of the gift to the children or grandchildren will be based on the IRS actuarial tables discussed above. This can result in substantial gift tax savings to you and your family.

#### *Going Forward*

The planned giving ideas described here are some of the most popular options. We are happy to work with you and your advisors to create a planned giving opportunity that meets your charitable and family goals using these or other techniques.

Please contact Daniela Fairchild at (202) 223-5452 or [dfairchild@edexcellence.net](mailto:dfairchild@edexcellence.net) if you would like further information about the Thomas B. Fordham Institute and about opportunities to support its work.

Thomas B. Fordham Institute  
1016 16<sup>th</sup> St, NW, 8<sup>th</sup> Floor  
Washington, DC 20036

Thank you for your consideration!