

CAMPAIGN VOLUNTEER TOOLKIT

Your Campaign Volunteer Toolkit

Thank you for participating in this campaign for WPI. We appreciate your contributions as a valued volunteer, as we work together to help WPI reach its \$350 million philanthropic goal and help elevate the impact of this world-class university.

This information is meant as a guide. You are encouraged to use your own experience and association with WPI to talk about the campaign and plan your involvement as a campaign volunteer.

This Campaign Volunteer Toolkit comes with the full assistance of the staff in WPI's Office of University Advancement. If you need help with a presentation, planning or hosting a dinner or reception, or undertaking other activities, please contact the Office of the Campaign at 508-831-4177 or Maggie Alicea at malicea@wpi.edu so that you can be connected with the appropriate staff member.

Campaign Volunteer Basics

Your Impact as a Campaign Volunteer

You know WPI. You've lived the WPI experience in some way—either as a student, the parent of a graduate, a trusted volunteer, corporate partner, or other friend of the university. Because your opinions carry special weight among your peers, you can make a significant impact on WPI's fundraising success at various points in the cultivation and solicitation process.

Those we strive to involve in the campaign, your friends and colleagues are more likely to...

- Accept a phone call from you or an appointment with you
- Attend a WPI event when they receive a personal invitation (phone call, email, card) from you
- Attend a small lunch or dinner to learn more about WPI when it is hosted by you
- Consider a conversation about giving to WPI when proposed by you

The University Advancement staff and the tools in this kit are here to support you in these volunteer activities.



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How Does a Campaign Transform an Institution?

if... Campaign Impact

- ❖ \$110M raised for Student Financial Assistance
- ❖ \$36M raised for Faculty and Academic Support
- ❖ \$52M raised toward Facilities Development
- ❖ \$50M raised in Unrestricted and Other Support
- ❖ \$248M raised in Total Support for WPI

How did *if...* transform WPI?

Faculty and Students Impacted

- ❖ Thousands of students benefited from scholarship assistance
- ❖ Five new endowed professorships helped WPI attract and retain the best and brightest scholars
- ❖ Two deanships were endowed, raising WPI's stature

A Major Transformation of Our Campus Landscape since 2009

- ❖ George I. Alden Life Sciences and Bioengineering Educational Center (Goddard Hall)
- ❖ East Hall (first green roof in Worcester)
- ❖ Sports and Recreation Center
- ❖ Renovations to the Project Center building
- ❖ Fire Protection Engineering Laboratory
- ❖ Messenger Residence Hall
- ❖ WPI Innovation Studio



How did *if...* transform the culture of philanthropy at WPI?

- ❖ Created the *New Normal* for annual dollars raised
- ❖ Resulted in WPI's groundbreaking first 8-figure gift; 45 gifts of \$1 million or more
- ❖ Produced record numbers in Senior Class giving totals and participation
- ❖ Established a robust planned giving pipeline



Jean King, Peterson
Family Dean of Arts
and Sciences



Students work in the
McDonough Maker Space in
the WPI Innovation Studio



The Proud Goat Statue, gift of the Class of 2009, overlooking the Quad and the Sports and Recreation Center (built with donor support)



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How to Be an Ambassador for WPI

Being an ambassador for WPI means supporting and encouraging the educational dreams of students and the aspirations of our faculty by offering personal testimony about your experience with WPI.

Your role as an ambassador for WPI is vital to advancing the university's reputation and the goals of the campaign.

To be an effective ambassador is simple and easy:

- Include your association with WPI in your professional biography.
- Participate in WPI events and use these events with talk to alumni and friends about the positive momentum at the university and your pride in it.
- Welcome opportunities to meet alumni, students, and parents in your area and help them stay connected to WPI.
- Talk with the influencers in your network about WPI and your association with the university.
- Connect key WPI administrators and staff at WPI to the influencers in your network.
- Show your pride in WPI through your posts (if you are active on social media).

If at any time you need assistance with any of these or other activities related to being a positive influence for WPI, the staff in University Advancement is here to help.



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Ways to Give

The choice of a giving vehicle is a personal one that must take into consideration a donor's objectives, obligations, and financial plans. In addition, many alumni and friends of WPI make personal gifts of non-cash assets, which—because of the additional tax benefits—often make it possible for them to make even larger gifts than they had originally considered.

Outright Gifts

Cash gifts are tax deductible up to 60 percent of a donor's adjusted gross income, with a five-year carry-over provision, if needed. Donors may also wire-transfer funds to WPI, make a gift with a major credit card on a one-time or monthly basis, or make arrangements for an automatic monthly bank withdrawal.

Multi-Year Pledges: All pledges must be confirmed in writing to receive credit and must be fulfilled with cash or assets acceptable to the university within five years.

Appreciated Property

Contributions of property provide a double advantage: a federal income-tax deduction for the full fair market value of the contributed property, and avoidance of capital gains tax if the property has appreciated in value. Thus, the donor's actual out-of-pocket cost for such a gift is usually substantially less than the gift's value. The precise impact depends on the nature of the property and the donor's tax bracket.

Gifts of stocks, bonds, or mutual fund shares held long term (at least 12 months and a day) qualify for a charitable deduction based on the fair market value of the securities on the date of transfer. In most cases the donor will avoid any potential capital gains tax liability. Such gifts may be deducted up to 30 percent of adjusted gross income, with a five-year carry-over provision, if needed. It is inadvisable to give WPI securities in which the capital gain is short-term (securities owned for less than 12 months). In such cases, the deduction will be for the cost basis of the securities, not the current market value.

Donors should **not** give WPI any property in which they have a capital loss. If they wish to dispose of such securities, they should sell them, establish a deductible capital loss, and then contribute the proceeds to WPI. Gifts of appreciated property are credited to the donor at full market value on the date of the gift.

Stock

If securities are held in a brokerage or trust account, the donor should contact WPI for instructions on transferring the securities. The stocks should **not** be sold before being transferred, as this may affect capital gains tax liability. The market value of the gift is determined by the date the securities are received in a WPI account.



Mutual Funds

Giving mutual fund shares has the same benefits as giving listed and actively traded stocks. Thus, mutual fund shares that have appreciated significantly since purchase (at least 12 months and a day) can be given without incurring any capital gains tax. Normally, mutual fund assets are transferred electronically. Following a donor's instructions, the mutual fund's agent transfers the shares into an existing WPI account. The effective date of the gift is the date WPI receives the shares. This is important because this date determines the completion, value, and deduction of the gift for tax reporting purposes. The value of the gift is the NAV (net asset value) of the shares on the date WPI receives them.

Privately Held or Restricted Stock (Closely Held Stock)

Donors of privately held or restricted stock are eligible for a charitable tax deduction based on the stock's fair market value, and they can avoid any potential capital gains tax on the appreciated value. The donor must provide a qualified appraisal for gifts valued at \$10,000 or more. Should the donor or the corporation wish to buy the stock back at some future time, they may be able to do so—and thus establish a new cost basis. In keeping with IRS guidelines, there can be no obligation on the part of the donor or WPI to buy or sell back the property at the time of the gift, otherwise the gain will be taxed to the donor. Gifts of privately held or restricted stock will be credited to the donor at full market value, as determined by a qualified independent appraiser.

Real Estate

Almost any type of real property can be given to WPI. Real estate gifts should be free of indebtedness, although the university may accept outright gifts of mortgaged property subject to "bargain-sale" rules (part sale/part gift). The gift may also be an undivided fractional interest rather than the entire property. The university also reserves the right to accept only property it deems usable or marketable. Gifts of real estate will be credited to the donor based on a qualified appraisal.

There are three methods of transfer:

- outright deeding of the property to WPI
- gift of property with retained life income through a gift annuity or trust
- gift of a residence with retained life tenancy

Personal Property

A gift of tangible personal property that has appreciated in value and that has been held long term (at least 12 months and a day) entitles the donor to a charitable deduction for its fair market value if the use of such property is substantially related to WPI's educational functions. Examples include established works of art, computers, rare books and technical manuals. Responsibility for determining the property's value lies wholly with the donor.

IRA Charitable Rollover

Persons age 70½ and older can transfer up to \$100,000 per year to one or more qualified charitable organizations.

- In addition to being tax-free and not included in adjusted gross income, an IRA charitable rollover may fulfill part or all of a person's required yearly minimum distribution (RMD).



- Only traditional IRAs and Roth IRAs (the latter must have been open for at least five years and meet other conditions) can be the source of such tax-free transfers; other types of retirement accounts, such as 401(k) and 403(b), are not eligible.
- Persons who are eligible and who want to consider rolling over funds from their 401(k) account into an IRA account so they can take advantage of IRA charitable rollovers should contact their 401(k) plan administrator.

Life-Income Gifts

A donor contemplating a major gift may also wish to consider transferring assets (generally cash or appreciated property) to WPI while retaining the income from those assets for his/her lifetime and/or the lifetime of a spouse or other designated beneficiary. Properly implemented, these plans, commonly known as “life income gifts,” can provide a major tax advantage while offering the potential to increase spendable income. The following available options include immediate, deferred or flexible deferred payment charitable gift annuities and charitable trusts. Some gift arrangements may be funded with IRA or other retirement plan benefits, possibly increasing the advantages of the gift plan for tax purposes.

Charitable Gift Annuity

A charitable gift annuity is a contract between the donor (or their estate representative) and WPI in which the university agrees to make guaranteed lifetime annual payments in a fixed amount to one or two designated individuals in exchange for a charitable gift of cash or marketable securities. This gift entitles the donor to a charitable deduction based on the ages of the beneficiaries and the amount of the annual annuity. Additionally, gift annuities funded with cash provide income that is, in part, tax-free. Should the gift be made with appreciated property, the donor would have the opportunity to spread out the capital gain over his/her life expectancy, and if the gift is funded with low-yield securities, the donor’s income may appreciably increase because of the higher annuity rate. Types of annuity contracts:

- **Immediate Gift Annuity:** The donor starts receiving quarterly payments at the end of the payment period immediately following the contribution. The first payment is customarily prorated from the date of the contribution.
- **Deferred Gift Annuity:** The donor chooses the date to start receiving payments at a future time which must be more than one year after the date of the contribution.
- **Flexible Annuity:** The donor does *not* have to choose the payment starting date at the time of the contribution. The donor may choose the payment starting date based on his/her retirement date or other considerations. The older the annuitant(s) when the payments start, the larger the payments will be.

Charitable Remainder Trusts

A CRT is irrevocable and can be funded with cash, securities, or real estate. It can be especially useful if funded with highly appreciated securities, since capital gains are avoided when sold inside the trust. Another plus—the Trust will provide the donors or others named, with income for a period of years (not to exceed 20 years) or life. There are two basic types: annuity (which pays a fixed dollar amount) and unitrust (which pays a fixed percentage of the trust's assets each year). When the trust terminates, the assets come to WPI to be used for a purpose designated. The donor receives an income tax deduction in the year the gift to the trust is



completed. The amount of the deduction is based on the size of the gift, the payout obligation of the trust, a monthly interest rate factor, and the age(s) of the income beneficiary(ies) named in the trust. Additions to a unitrust may be made at any time and in any amount, but additions are not permitted to an annuity trust.

Charitable Lead Trusts

A CLT is irrevocable and provides WPI with a stream of income for a period of years after which the assets revert to the donor (grantor trust) or to the donor's children and grandchildren (non-grantor trust—the most common). Payouts can either be a fixed dollar amount (annuity) or a fixed percentage of the trust's assets each year (unitrust). A non-grantor trust is an effective tool for transferring wealth to children and grandchildren since any appreciation passes to them free of gift tax and estate tax when the trust terminates.

This gift vehicle can help a donor make a major gift to WPI while passing property to heirs outside one's estate and at reduced transfer tax cost; shelter any future appreciation of assets against estate taxes; accelerate an income-tax charitable deduction for future charitable gifts into the current tax year; or make charitable gifts beyond the charitable contributions ceilings. There are many nuances to Charitable Lead Trusts, so we advise donors to consult with an attorney or financial advisor to ensure the trust truly accomplishes their goals.

Other Opportunities to Maximize Gifts

Bequests

A bequest through a will, a trust, or by designating WPI as the beneficiary of an IRA, 401k, or life insurance policy costs donors nothing during their lifetime and can be changed at any time.

There are four types of bequests:

- Specific – WPI receives a specified dollar amount or item(s) of property
- Percentage – WPI receives a set percentage of the estate's value
- Residuary – WPI receives whatever is left of the estate after all taxes, expenses, and other specific bequests are made
- Contingent – This option allows the donor to leave all or a portion of an estate to WPI if a named beneficiary does not survive

Donor-Advised Funds or Private Family Foundations

It is possible to make gifts from donor-advised funds either during the donor's lifetime or when the fund terminates. For current gifts, a donor would notify the fund administrator (using the Standard Distribution Form) to make a distribution to WPI. Distributions may also be made from a private or family foundation when organized either as a nonprofit corporation or as a charitable trust.

Note: Because a donor has already relinquished control over the donor-advised fund assets and claimed an income tax charitable deduction when they made a gift to the fund, there are no tax implications of this additional transfer from the fund to WPI.



Blended Gifts

There are many combination gift options that can make a donor's gift go farther than a simple outright gift of cash or property. Blended gifts include current use gifts that help the donor see the impact of giving today and utilize a planned gift to support WPI in the future.

Matching Gifts

Corporate matching gifts will be credited as a gift from the corporation making the match. However, for purposes of qualifying for a donor recognition group, an individual will receive credit for both the gift and the corporate match. Matching funds will be credited to the individual's gift record when WPI receives the matching gift form.

Corporate or Foundation Support

Our partnerships with corporations and foundations foster unrivaled learning experiences for our students and enable research discoveries to be translated into significant, real-world impacts. If you can facilitate a conversation with one of your corporate or foundation contacts, please contact the University Advancement Office as you may become a key partner in leveraging a gift from this connection.

For additional information

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Thank you!



Worcester Polytechnic Institute

University Advancement

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University Advancement Glossary

Annual Gift—is a donation given yearly to provide reliable funds for ongoing programs and services. The WPI Fund accepts these unrestricted gifts annually to support operational costs across the campus community. The WPI Fund also permits unrestricted gifts to be designated to a particular area of interest for the donor, such as financial assistance, academic department support, athletics, etc.

Beneficiary—is any person or organization that receives assets from a person after that person's death.

Comprehensive Campaign—aims for a longer fundraising program based on a long-term analysis of the organization's needs and direction. This form of campaign can wrap together capital projects, endowment, and operating expenses as its purpose, and use a variety of fundraising activities, such as annual giving, planned giving, and outright gifts.

Current Use—is a donation that may be spent down in its entirety in the current fiscal year or over multiple fiscal years.

Endowment—is any asset donated to and for the perpetual benefit of a non-profit institution. The donation is usually made with the requirement that the principal remain intact and money earned from investing the principal be used for a specific purpose.

Estate Planning—is the act of preparing for the transfer of a person's wealth and assets after his/her death. Life insurance, pensions, real estate, cars, personal belongings, living trusts and other assets are all part of one's estate. These legal documents are usually created by a will or a trust and outline the distribution of the estate.

Irrevocable Gifts—are completed transfers of assets to charity that cannot be changed or undone by the donor. Because the donor irrevocably parts with all or part of an asset, the donor receives an immediate charitable income tax deduction, plus the gift value is removed from the donor's taxable estate.

Nonprofit—is an organization that uses its surplus revenues to further achieve its ultimate objective, rather than distributing its income to the organization's shareholders, leaders, or members. A non-profit is tax exempt, or charitable, meaning it does not pay income tax on the money it receives for the organization. It can operate in religious, scientific, research, or educational settings.

Outright Gift—includes cash, securities (stocks and bonds), real estate, tangible personal property, matching gifts, and gifts-in-kind.



Philanthropy—is altruistic concern for human welfare and advancement, usually manifested by donations of money, property, or work to needy persons, by endowment of institutions of learning and hospitals, and by generosity to other socially useful purposes.

Planned Gift—is a donation that is arranged in the present and allocated at a future date. Commonly donated through a will or trust, a planned gift is most often granted once the donor has passed away.

Pledge—is a promise to pay a specified amount over a set period of time. For example, a donor might pledge \$100,000 to be paid over four years, by installments of \$25,000 per year.

Quiet Phase—is when an organization approaches its strongest donors for the initial, larger gifts that create momentum for the campaign. During this phase, an organization should seek to raise 40 percent or more of its goal.

Public Phase—is when organizations are looking for smaller leadership gifts and gifts of any amount in general. This phase is often about building the donor base, building upon the organization's culture of philanthropy, and building the pipeline of donors for future investments down the road.

Restricted—means when donors to a nonprofit organization may designate or "restrict" the use of their donations to a particular purpose or project. An example is a gift to a special scholarship fund at the university.

Revocable Gift—is designed to pass to charity in the future, usually when the donor dies. This flexible arrangement means that the donor may change or revoke at any time during life. The donor is comfortable knowing he or she may draw upon these assets for an emergency.

Unrestricted—means donations the university may use for any purpose.

