

# THE CATHOLIC UNIVERSITY OF AMERICA



## Bequest Language

### **Testamentary Bequests**

A bequest is a gift of any amount or form made in a donor's will. Bequests may provide for a specific dollar amount in cash; specific securities; specific articles of tangible personal property such as works of art, antiques, silver, jewelry; or a specific percentage (or all) of the residue of the estate.

Bequests may be given as unrestricted or restricted gifts to the university. A gift, in any amount, may be accepted into an existing fund directed toward a specific need of the University so long as the terms of the existing fund permit.

### **UNRESTRICTED BEQUESTS**

Unrestricted bequests are used for the general purposes of the University and can be applied to current needs. Currently, a named unrestricted endowment fund may be established with a gift of \$100,000 or more.

### **RESTRICTED BEQUESTS**

Restricted bequests support a certain purpose, program, or school designated by the donor. Currently, a named restricted endowment fund may be established with a gift of \$100,000 or more.

A will may also include a provision to establish a gift annuity, an annuity trust, or a unitrust. Such a bequest can be arranged to provide a life income for a spouse or loved one by designating that the bequest be used to establish a charitable remainder annuity trust or charitable remainder unitrust. If such a gift is made by will, the principal will pass to The Catholic University of America only after the death of the life-income beneficiary. Before establishing a gift annuity, annuity trust, or unitrust for a loved one, please consult with your tax attorney to determine any potential gift-tax consequences to your estate. Your language should allow for an alternative gift vehicle should the amount designated not meet the minimum necessary for the life-income instrument.

Testamentary gifts can be made by execution of a new will or adding a codicil to an existing will.

## Sample Language for Testamentary Bequests

For the most common simple provision in a person's will, the two key variables are the portion of the person's estate that they want to bequeath to CUA and whether there are any restrictions on the use of the bequest by the university. Thus the following sample includes options appearing in brackets for alternate language to be used, depending on the donor's intentions.

**The following language is sufficient for testamentary bequests in most jurisdictions:**

"I hereby give, devise, and bequeath to The Catholic University of America, Washington, D.C.,

the sum of \$ \_\_\_\_\_

[or "the rest, residue, and remainder of my estate"]

[or " \_\_\_\_\_ % of the rest, residue, and remainder of my estate"]

to be used by the University for general [restricted or endowed] purposes

[for the School of \_\_\_\_\_]."

**Additional sample language to consider should you desire your donation to be for endowed purposes (\$100,000 or above), whereby the principal remains intact in perpetuity:**

"Whereas, the sum I hereby give, devise, and bequeath to The Catholic University of America, Washington, D.C., to establish [name of endowed fund] does not meet the threshold to fund an endowment, under CUA's policies and procedures at the date of distribution, such amount shall be used to establish a non-endowed fund for the same purpose. And whereas, in the opinion of the President and the Board of Trustees, all or part of this bequest cannot be usefully applied to this purpose due to changed circumstances, they may use this bequest for any purpose that in their opinion will most nearly accomplish my wishes and purposes."

The language provided here includes only suggested terminologies and is meant to be used with the advice of your attorney. Of course, the gift planning office (202-319-6914) is happy to answer questions. We can also provide information about "planned gifts," which allow donors to gain an immediate tax deduction during their lifetimes, continue to get an income during their lifetimes, get the enjoyment of making a gift to CUA, and often may help avoid estate taxes. These gifts include life insurance, gift annuity contracts, annuity trusts, and other kinds of planned giving vehicles.

We encourage you to share your final will provision with the University to ensure that your wishes will be properly followed and recognized: The Catholic University of America, Office of Gift Planning, 620 Michigan Ave., NE, (USCCB - 171) Washington, DC 20064.