

Legacies

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NEW UMAINE PRESIDENT



Dr. Joan Ferrini-Mundy will be the 21st president of the University of Maine and the president of the University of Maine at Machias, announced University of Maine System Chancellor James H. Page in April.

Dr. Ferrini-Mundy, the chief operating officer of the \$7.8 billion National Science Foundation and a New Hampshire native, has provided campus-based academic leadership as an associate dean, and served as professor of mathematics at two land grant universities.

UMaine's incoming president also is a national leader in STEM education research and policy, co-leading the development of a governmentwide strategic plan for science, technology and engineering education across 14 science agencies that has achieved improved coherence and impact in the federal government's \$3 billion STEM education investment.

Dr. Ferrini-Mundy will begin her duties on July 1. She will be scheduling introductory visits around the state. The Foundation staff will be posting further information as the dates and places are chosen.



The new Engineering Education and Design Center (EEDC) will be sited on the current location of the Machine Tool Lab on campus.

\$10M Gift for Engineering Building

An anonymous gift of \$10 million from the family of a University of Maine engineering graduate has been committed to help construct UMaine's Engineering Education and Design Center, according to UMaine President Susan J. Hunter and University of Maine Foundation President Jeffery N. Mills.

This is the single largest capital gift in UMaine history, bringing UMaine's Vision for Tomorrow campaign to over 77% of the \$200 million goal, Mills says.

"This investment builds on the remarkable growth and success of UMaine engineering, one of our seven Signature Areas of Excellence," Hunter says. "We've seen a 70 percent growth in undergraduate enrollment in the College of Engineering since 2001. The Engineering Education and Design Center will help the College of Engineering expand its capacity to help meet student demand and Maine's need for engineers."

In December 2017, the team of WBRC Architects Engineers, based in Bangor, and Ellenzweig of Boston was selected to design the new Engineering Education and Design Center (EEDC) at the University of Maine, anticipated cost of up to \$80 million.

President Hunter has made the planned Engineering Education and Design Center her highest capital priority for UMaine's Vision for Tomorrow Campaign. Members of the College of Engineering Dean's Advisory Board, alumni, friends and corporate donors have collectively contributed an additional \$2 million in gifts and pledges toward the construction of this facility to date. That total includes a \$1 million corporate gift from the Packaging Corporation of America. The State Legislature and Governor LePage led the effort for a state investment of \$50 million toward the construction of this facility.

Vision for Tomorrow



As you read in our page 1 story, fundraising for UMaine's \$200 million Vision for Tomorrow comprehensive campaign is going very well thanks to the support of our generous and loyal alumni and friends. During the campaign, all UMaine gifts count as part of the overall total.

I am pleased to announce that this fiscal year, 2018, we will mark the largest giving total in UMaine history. By the end of the third quarter in March our total was well over \$32 million and we have another quarter ahead of us.

Our matching gift program raised nearly \$5 million for the campaign and is now completed.

We announced a \$1M gift from the Packaging Corporation of America as part of our Maine Day of Giving 2018. That gift will support the Engineering Education and Design Center, also part of the campaign.

Annual giving has surpassed last year's total and giving society memberships are up.

Thank you for your continued support.

Jeffery N. Mills '82, Ph.D., President/CEO
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Tax Reform and Charitable Giving

The Tax Cuts and Jobs Act went into effect on January 1, 2018. While many taxpayers may not be itemizing deductions under the new law, many opportunities for charitable giving remain.

- **New income tax brackets:** The new law lowers most individual tax rates. Because donors may be paying less in taxes, they may have an opportunity to give more to the organizations they care about, like the University of Maine Foundation.
- **Appreciated stock:** Give appreciated securities to the University of Maine Foundation and avoid capital gains tax.
- **IRA gifts:** If you are 70 ½ or older, the new tax legislation leaves the IRA Charitable Rollover provision unchanged. A gift directly from your IRA to the University of Maine Foundation helps to fulfill your required minimum distribution and is not considered taxable income.
- **Accumulate/Bundle Gifts:** With the standard deduction increased to \$24,000 for joint filers and \$12,000 for individual filers, some may benefit from lumping two or more years' worth of donations in a single year to in order to exceed the standard deduction and itemize deductions.
- **Cash Gifts:** For those that continue to itemize, the law increased the 50 percent of adjusted gross income limitation for cash contributions to 60 percent and retained the 5 year carryover for unused deductions. Donors who itemize deductions may consider increasing their cash gifts.

Here are some ideas for the best gift types for charitable giving in 2018 in light of the new tax law:

- **Name the University of Maine Foundation as a beneficiary of retirement plan assets:** These assets remain taxable when distributed to a loved one but are distributed tax-free when given to the University of Maine Foundation. The Foundation's tax identification number is 01-6011501.
- **Establish a charitable gift annuity:** Make a gift to the University of Maine Foundation and receive a life income, receiving some of the annual payments free of income tax.
- **Establish a donor advised fund:** Pool several years' donations in a University of Maine Foundation donor advised fund, deduct the entire contribution in the year of the gift and then make grants to the University and the organizations you care about in future years.
- **Gifting life insurance:** It may be possible to give an existing life insurance policy or to make the University of Maine Foundation a beneficiary of all or a part of a life insurance policy.
- **Real estate:** We have a number of donors who struggle with what to do with their home or other real estate, particularly when there is no family to pass the property to or the family has no interest in the property. Gifting the real estate to the University of Maine Foundation can make sense for some individuals. The Foundation may retain the property for research and teaching purposes or sell it and endow the proceeds to support UMaine students.

We encourage you to talk with your tax, legal and financial advisors to determine the best charitable giving strategies for you.



L to R: Kathy Adams and Susan Adams

An Alumnus Honors His Daughter

Retired Major General Earl Adams '57 began his military career as a UMaine student enrolled in the advanced ROTC program. Earl's career included a long history of public service. He was commissioned into the Army in 1957 followed by service in the Maine Army National Guard, where he remained for many years and was eventually promoted to the rank of General.

Earl's daughter Kathryn M. Adams received a BA in journalism in 1985 from UMaine. Kathy was a very bright, intelligent young woman who qualified for MENSA as a teenager. She was a voracious reader, and loved to write. She worked both in the private sector and for the State of Maine. After Kathy passed in 2016, Earl, his wife Sheila, and Kathy's sister, Susan Adams, from the class of 1986, established the Kathryn M. Adams '85 Memorial Scholarship to honor her legacy.

"Kathy would be proud to know that her scholarship will allow other Maine students to have the same opportunity that she had to study at the University of Maine." —Earl Adams '57

Funded in part through the Foundation's Vision for Tomorrow matching gift program, the scholarship will help students from Maine with financial need to attend the University of Maine. UMaine Foundation President Jeff Mills remarked that the matching gift came to the Foundation anonymously through a recent bequest from an alumnus who also had a military background. It is a fitting tribute that the match helped Earl to honor his daughter.

Though both families suffered a loss, many future UMaine students will benefit from the generosity of these two philanthropic alumni families and a legacy that was created in their honor.



UPCOMING EVENTS

**President Ferrini-Mundy
Begins 21st Presidency of UMaine**
July 1, 2018

Reunion 2018
Honoring all classes ending in 3 or 8 and Senior Alumni. Classes are preparing their plans for campus activities and fundraising drives now.
Classes of 1953, 1958, 1963, 1968 and Senior Alumni have planned events for September 13-15, 2018
Classes ending in a 3 or 8, from 1973 to 2013, will be celebrating their reunions at Homecoming.
FMI visit: umainealumni.com/reunion

**University of Maine Foundation
Annual Meeting** (invitation only)
October 26, 2018

Homecoming
October 26-28, 2018

INVESTMENT NEWS

For calendar year 2017, the General Endowment net investment return was +17.1%, reflecting strong and steady returns from global equities. The portfolio benefited from geographic diversification during the year, as the portfolio's Developed ex-U.S. (+28.2%) and Emerging Markets equity (+33.0%) investments outperformed their U.S. counterparts (+21.5%). Five out of six asset classes produced positive returns, with the portfolio's allocation to natural resources and commodities (-0.7%) the lone exception. The portfolio lagged the policy benchmark return (+17.6%), but outperformed a simple 70% global equity / 30% U.S. Treasury portfolio (+16.1%).

After an unusually calm period for markets last year, volatility returned in early 2018. The General Endowment, which now stands at nearly \$224 million, has weathered the recent market turbulence well, reflecting its diversified positioning. The portfolio held steady through the end of the first quarter, returning -0.3% relative to a -0.4% decline in the simple 70/30 portfolio. The portfolio's international investments (Developed ex-U.S. Equity +0.1% and Emerging Markets Equities +0.8%) generated positive returns during the quarter, while other asset classes posted declines.

As noted in the fall edition of Legacies, given a backdrop of historically low interest rates and U.S. stock valuations that are well above their long-term averages, the investment committee, with the guidance of our consultant Cambridge Associates, continues to view robust diversification across geographies, asset classes, and strategies as critical to meeting long-term return objectives. That diversification has served the portfolio well recently, and we expect it to continue to do so should the recent market choppiness persist.

Congratulations to SPIFFY, our Student Portfolio Investment Fund. SPIFFY won first prize in a worldwide portfolio competition at the Quinipiac Global Asset Management Education VIII Forum held in New York City, March 2018. Our SPIFFY students were among 1,500 students from 160 colleges and universities that attended the Forum. SPIFFY manages nearly \$3 million of the Foundation's General Endowment and produced a net return of 19.6% in 2017. SPIFFY has roughly 30 student participants and is advised by Professors Sebastian Lobe and Matt Skaves.



Creating a Legacy Through Estate Giving

Donors who make a gift in the form of an annuity or a trust arrangement or provide for the University of Maine Foundation in their will or estate plan can become members of the Charles F. Allen Legacy Society. This includes donors who name the University of Maine Foundation as a beneficiary of a retirement account or insurance policy.

Reviewing your intentions now with the Foundation’s gift planning team will allow them to maximize the impact of the gift for the University and will ensure that the eventual gift will be directed exactly according to your wishes. A bequest or estate gift may be designated for unrestricted purposes or to establish an endowed fund, or it may be directed to a fund that has already been established.

The value of a future bequest may be an estimated projection of a gift that is years away from coming to the Foundation. Allowing the Foundation to count the full value or net present value of your planned gift as part of the current Vision for Tomorrow comprehensive campaign, depending on the terms of the gift, helps the Foundation to show other donors the value of an investment in the University.

In order for the University of Maine Foundation to steward your gifts, the documents must list the **University of Maine Foundation** as the beneficiary and include a description of the gift and how it will benefit the University of Maine.

Current Charles F. Allen members are asked to review their will, trust, estate plan or beneficiary designation forms to double check that the documents list the **University of Maine Foundation** as the beneficiary, and not just the University of Maine. This will avoid confusion in the administration process and allow the Foundation staff to be sure that your intentions will be honored at the University of Maine, Orono campus.

The Foundation’s gift planning team is available to discuss a planned gift, your existing language, a fund description that sets forth your intentions or inclusion of your planned gift in the Vision for Tomorrow comprehensive campaign.



Here is the sample language for making a bequest to the University of Maine Foundation:

“I give and bequeath to the **UNIVERSITY OF MAINE FOUNDATION** for the benefit of the University of Maine:

the sum of \$ _____;

or _____ percent of my estate;

or the property described herein

to establish/add to the _____ Fund.

The principal is to be endowed and the distributions, as established by the University of Maine Foundation Board of Directors, shall be used for _____”.