

FLIP Unitrust headline goes here

Mr. Carney purchased two residential rental properties in the 1950's which provided supplemental income for many years. Recently, he decided to transition out of the rental business, no longer wishing hassle with the management responsibilities. The properties had a fairly low cost basis and had appreciated a great deal, so selling them outright would mean paying significant capital gains tax since the property. Therefore, Mr. Carney began to consider other options that might be to his advantage.

As an alumnus of Caltech, he considered gifting the property, but did not want to lose the income the property provides. Ultimately, he was able to gift the properties to Caltech, receive a lifetime income and a charitable deduction by gifting the properties in the form of a Charitable Remainder FLIP Unitrust.

A Standard Unitrust pays an annual income to the beneficiary equal to a fixed percentage of the trust fair market for life. The annual income from the unitrust may increase or decrease each year depending on the value of the trust principal. A Net-income Unitrust only pays the beneficiary what it earns, providing this amount is less than a fixed percentage of the trust fair market value.

A FLIP Unitrust combines both the Standard and the Net-income Unitrusts to facilitate the process of funding the trust with real estate. The trust begins as a Net-income Unitrust. When it is funded with real estate, there is no investment income to distribute to the beneficiary. Therefore, the unitrust is relieved from making payments when there is no cash available to do so. An exception may be in the case of rental

property, in which case, the unitrust will distribute the rental income received.

Once the "triggering event" occurs, in this case, the sale of the property, the unitrust is converted to a Standard Unitrust and begins making regular distributions to the beneficiaries based on a fixed percentage of the trust fair market.



John Carney (BS' 56) on a Caltech trip to Ireland. Mr. Carney recently contributed two rental properties to a FLIP Trust in order to obtain the many benefits of this type of gift.

invested and the trust begins paying you a lifetime income based on a fixed payout rate. Prior to the sale of the property, you still receive distributions from the trust based on the rental income earned within the trust.

The flexibility of the FLIP Unitrust makes it most suitable for gifts of real estate into trust. The FLIP trust may also be suitable for other situations when flexibility is important. For example, if you are planning for retirement and wish to defer income until later years, you can establish a FLIP unitrust and set your 65th birthday as the "triggering event." At that time, you will begin receiving payments. A similar scenario can be arranged when

FLIP Trust, continued on back page

IRA Rollover to Expire at Year's End

In our Spring 2007 issue of *Techniques*, we discussed the IRA Charitable Rollover as a simple way to increase your philanthropy. Since then, many Caltech friends and alumni have taken advantage of this opportunity, resulting in over \$1.2 million in IRA contributions to support fellowships, teaching, research, and much more.

You may recall that the Pension Protection Act of 2006 allows taxpayers 70½ years of age or older to contribute up to \$100,000 per year to charity directly from their individual retirement accounts (IRAs) and Roth IRAs. The distributions are tax-free and help donors avoid penalty fees for early withdrawal. This provision remains effective through the end of this year. Distributions must be delivered to the Institute or postmarked no later than December 31, 2007, in order to qualify.

As you think about your year-end giving, we encourage you to consider making an IRA contribution. To learn more about the Pension Protection Act of 2006 or other ways of giving to Caltech, call the Office of Gift Planning at 626-395-2927.

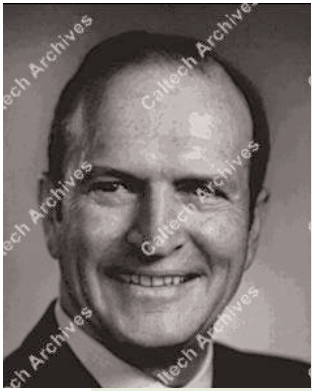
Nichole Baker Named Acting OGP Director



Nichole Baker has been promoted to deputy director of Caltech's Office of Gift Planning and will serve as acting director through early 2008. She joined the Institute from the financial planning community in 2004, holding the positions of associate director and manager of bequests and trusts.

Certified in financial planning and as a planned giving specialist, Nichole is currently enrolled in the executive MBA program at the Drucker School of Management, Claremont Graduate University. She received her bachelor's degree in still photography from the University of Southern California School of Cinema and Television.

Caltech Legacies Support Graduate



Trustee Victor K. "Tory" Atkins

Tory Atkins, a Caltech trustee for 29 years, provided for the Institute both through his IRA beneficiary designation and through charitable remainder trusts, although the full extent of his contributions is hard to measure. For almost three decades, Mr. Atkins shared his expertise and astute insight with the Board of Trustees through his service on the Executive, Investment, and Audit committees.

In his earlier business career, he was an engineering and manufacturing executive at Pacific Car and Foundry Company; later, he became president of Doran Company in Oakland. He also served for many years as chairman of the American Automobile Association. Mr. Atkins received a BS at the U.S. Naval Academy in 1942, served during World War II in the Submarine Service, and was decorated with the Silver Star. In 1947, he received an MS in ocean engineering from MIT.

Mr. Atkins had particularly close ties with the Division of Chemistry and Chemical Engineering, having chaired its visiting committee for 20 years. As an extension of his long-term support, he established the endowed Atkins Family Graduate Fellowships for students in CCE, part of his bequest to the Institute.

David A. Tirrell, Ross McCollum-William H. Corcoran Professor, professor of chemistry and chemical engineering, and CCE division chair, had the pleasure of working with Mr. Atkins and of getting to know this remarkable man. Looking back on their productive partnership, Dr. Tirrell said, "Tory was an ardent spokesman for the Institute and a great friend to the Division of Chemistry and Chemical Engineering. He understood that graduate fellowships are vital to the success of our programs in education and research. The Atkins Family Graduate Fellowships will enable us to attract the world's most promising graduate students, and Atkins fellows will remember Tory for generations to come."

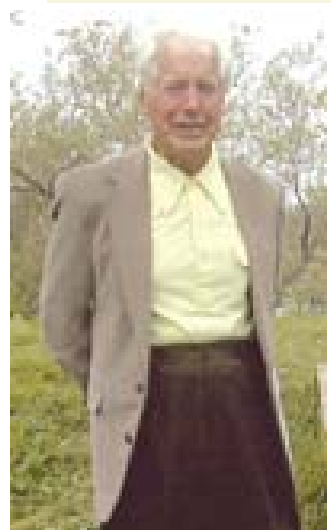
Although these fellowships are too new to have been awarded yet, they will soon ease the financial burdens of deserving graduate students—scientists of the future who are preparing to become leaders in their fields.



Graduate students come to Caltech from around the globe to work with our distinguished faculty and to use the Institute's state-of-the-art facilities. Because endowments provide a predictable source of income year after year, support for graduate fellowships enables Caltech to recruit exceptional graduate students, guaranteeing a competitive advantage even when fluctuations in the economy and political environment affect other sources of funding. Such fellowships allow recipients to concentrate on their research without having to work or incur large debts.

For these reasons, securing funds for 100 new endowed graduate fellowships is one of the Institute's highest priorities and a focal

Dr. Carl Vollmer



Dr. Vollmer, a longtime resident of Lone, California, made his connection to the Institute through his support of fellowships for Caltech graduate students in either the Division of Chemistry and Chemical Engineering or the Division of Engineering and Applied Science.

A veteran of World War II and an accomplished dentist in the San Gabriel area, Dr. Vollmer pursued advanced education and earned several degrees of his profession, including a BS in dentistry, a master's in orthodontics, and a doctorate in dental surgery—all from the University of California. Also a savvy investor, Dr. Vollmer understood the power of endowments to assist students who shared his interest in the sciences. Impressed with the Institute's reputation for research, he found the perfect match. Through his support to Caltech, Dr. Vollmer's legacy—and his vision—will continue in perpetuity.

The 2007–08 Carl L. Vollmer Fellowship was awarded to Andrea Kirkpatrick, a first-year student in the Division of Chemistry and Chemical Engineering.

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Introducing Frank Bernal

Frank Bernal became the newest member of the Office of Gift Planning when he joined the staff in August 2007 as planned giving assistant. Frank provides administrative support for the trust and estate program, as well as for the Gift Planning fundraising and marketing agendas throughout the year. Prior to arriving at Caltech, he served for four years as a financial planning administrator at Ameriprise Financial, where he worked with financial advisors and provided assistance to clients.



Did You Know.

Reunion giving is a wonderful way to encourage classmates to support your alma mater. Gifts received from October 1 through December 31 count towards your class's reunion total for 2007–08. These gifts will be highlighted during the reunion. Your donation helps build your way for future alumni. We value and appreciate your generosity.

ate Fellowships

point of our “There’s only one. Caltech” campaign. Dr. Carl L. Vollmer and Mr. Victor K. “Tory” Atkins have generously contributed to this effort.

Dr. Vollmer and Mr. Atkins had the satisfaction of knowing they would make a positive difference in the lives of gifted graduate students at one of the nation’s premier research institutions. By endowing graduate fellowships, these two farsighted men left behind legacies that will ensure Caltech’s status as an exemplary center of scholarship and innovation. Ultimately, however, society will benefit most as the students we have trained leave their marks in the classroom, the lab, and the workplace.

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Engineering who recently graduated cum laude from Duke University. Her extensive background in biophysical chemistry has grounded her firmly in both computational and experimental work, and a Summer Undergraduate Research Fellowship at the Mayo Clinic in Minnesota has expanded her scientific range, exposing her to the complexities of molecular biology.

Eager to share her passion for research with future generations, Ms. Kirkpatrick looks forward to becoming a college professor—and she’s convinced that the Institute will provide her with the background she needs to realize this dream. In her words, “There are three Nobel laureates here [in chemistry]. You can’t beat that!”

Brand new to the Caltech community, Ms. Kirkpatrick is eager to begin her research and to work with its world-renowned faculty. The Carl L. Vollmer Fellowship has given her the freedom to concentrate on her studies full time and to experience for herself both the quality of life and the model of excellence for which Caltech has become known. She’s off to a great start!



Andrea Kirkpatrick,
2007–08 Carl L. Vollmer
Fellow

Gifts by Will

The generosity and foresight of Caltech alumni and friends benefit the Institute. Below are just a few of the many individuals who have contributed to Caltech over the years.

The Institute received over \$2,168,900 from the estate of Dr. Carl Vollmer, which is currently being used to fund the Carl L. Vollmer Fellowship for Graduate Students.

From the estate of Prof. John Todd and Dr. Olga Taussky-Todd, Caltech has received over \$865,000 to support the Taussky-Todd Distinguished Visitors Program in Pure Mathematics and the Taussky-Todd-Lonergan Endowed Professorship in Pure Mathematics.

Caltech has received \$249,000 from the estate of Nathaniel Paschall and will apply this gift to the Donald W. Douglas Fellowship.

Dr. Tsaihwa J. Chow benefited the Institute with a bequest of \$200,000 to the Patterson Memorial Fund supporting geochemistry students.

Charles and Genevieve Jones provided for Caltech through an unrestricted bequest of more than \$270,000.

Save the Date: Curious to Air in Los Angeles

Curious, a new two-part series, provides an inside look at Caltech and JPL scientists—and the people whose lives are changed by their work. These moving, strange, and humorous tales bring science to the screen in a refreshing new way. Coproduced by Thirteen/WNET New York and Caltech, *Curious* will premiere in Los Angeles on KCET on Thursday, November 15, from 9:00 to 11:00 p.m.

CURIOS was made possible through the generous support of TIAA-CREF.

Contact Us

For more information about the stories featured in this issue of *Techniques*, or for other questions about deferred gifts, please contact the Office of Gift Planning:

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E-mail: giftplanning@dar.caltech.edu

On the Web: giving.caltech.edu/GP



The Torchbearers: Building a Foundation for the Future

Giving to Caltech is not only a gracious method of showing support, but an opportunity to partner with a distinguished group of like-minded alumni and friends who are also passionate about the Institute. Members of the Torchbearers of Caltech have chosen to provide for the Institute through a planned gift.

The legacy of Torchbearers' generosity is reflected in our ability to maintain a strong tradition of excellence science and technology. This benefit is demonstrated most tangibly in the form of gifts that are used to expand research and educational opportunities for faculty and students.

For many years now, bequests and life income gifts have provided the groundwork for the Institute's ongoing activities. Similarly, by choosing Caltech as a beneficiary of a life insurance policy or retirement plan, donors help ensure the Institute's future. With the assistance of Caltech's Office of Gift Planning, making the decision to include the Institute in an individual's philanthropic plan is made clear and easy to accomplish.

The Torchbearers of Caltech was established in 1985 as a way of recognizing the visionary support of benefactors who support Caltech's mission through planned giving. This tribute is our way of expressing appreciation for their philanthropic gesture and continued commitment to the Institute. Torchbearers receive a formal acknowledgment from Caltech's president, as well as exclusive invitations to campus events throughout the year.

In recent months, we have added three new members to the Torchbearers Honor Roll: Mark Bohn, Allen and Margaret Moore, and Marc Schatkun. We sincerely thank them and all of our members for helping to build a solid foundation for the future of our students and faculty and the important work in which they are engaged.

You are welcome to contact the Office of Gift Planning to learn how to join this special group of friends and alumni. Please call 626-395-2927 or email giftplanning@dar.caltech.edu.

STATS ON LEGACY GIVING TO CAMPAIGN

Graduate Fellowships

Continued from page 1

planning for the future needs of children or grand children. The trust can be set up to FLIP when they reach a certain age or upon the occurrence of a particular event and begin making distributions to them at that time.

Mr. Carney has been pleased with the process of establishing a FLIP Unitrust with Caltech, in fact, it is not his first. He receives an even greater income stream from the Unitrust than he did from rents. More often than



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Techniques is published by Caltech's Office of Gift Planning. For more information on the content of this publication, please call 626-395-2927, e-mail planned_gifts@caltech.edu, or visit our website at <http://giving.caltech.edu/GP>.

What's Inside

■ Lots of good stuff

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