

**Virginia Military
Institute
Class of 1973**



Fiftieth Reunion Planning

Chairman

Larry Mays

Co-Chairman

Mike Kelly

Reunion Committee

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Jim Chalkley
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Table of Contents

Chairman.....	1
Co-Chairman.....	1
Reunion Committee	2
50th Reunion Campaign Background.....	4
Current Gifts	5
Gifts of Stock.....	5
Gifts of Real Estate	5
Individual Retirement Accounts	6
Deferred Gifts	6
Life Insurance	7
Bequests.....	8
Life Income Gifts.....	9
Gift Designation.....	10
Named Funds	11
Tribute Gifts.....	12
Qualifying Gifts	12
How to Participate	12
50th Reunion Campaign Results	16
Classes of the 1950s to 1960s.....	16
The VMI Alumni Agencies	17

50th Reunion Campaign Background

Q. What exactly is the 50th Reunion Campaign?

A. Beginning with the Class of 1916, every VMI Class has carried out a special campaign in conjunction with their 50th Reunion. It offers a major opportunity for the Class to come together in support of the Institute. The gifts and commitments made during this campaign are a legacy, which will have a profound and lasting impact on the Institute and do much to ensure that its future graduates will be the same kind of honorable and purposeful leaders VMI has produced since 1839.

Q. How have these special reunion campaigns benefited VMI?

A. These campaigns have been the catalyst for increased private support, providing both direct operational support through annual giving and permanent assistance through endowment. They are a major reason VMI's endowment is now half a billion dollars. This support benefits virtually every program at the Institute, including cadet activities, academics, scholarships, athletics, and even new construction.

Q. Why is that so important? Isn't VMI state supported?

A. More like state assisted. Virginia tax dollars provide under 20% of VMI's operational budget with cadet tuition and fees making up the majority (over 52%). Private support – annual spendable gifts and the income from endowment – provides approximately 24%, covering most of the balance. For the 2020-21 academic year that's some \$23 million. Thus, growing the endowment is a major factor in helping to ensure the Institute's future.

Q. What gifts/commitments are included in a Class's reunion campaign?

A. **Current** gifts (cash, securities, real estate) to include **cash pledges**, and **“deferred”** gifts, which are commitments of future support.

Current Gifts

Q. What are current gifts?

- A. Current gifts are those in which the donor does not retain an interest and the full amount is available for immediate use by the Foundation and/or the Keydet Club. These gifts can either be unrestricted for use at the Foundation's or Keydet Club's discretion, or can be restricted by the donor to support a particular program or purpose.

Q. What form do these current gifts take?

- A. Primarily cash, stock and real estate, though in some instances other tangible property may be given. Cash contributions can be made by check, electronic funds transfer (EFT) from a bank account, wire transfer or credit card.

Gifts of Stock

Q. Can stocks and bonds be donated, too?

- A. Yes, appreciated stock which has been held long term, and other securities, like bonds and notes, make excellent charitable gifts. Instead of selling the appreciated securities and donating cash, the donor transfers ownership of them to one of the Alumni Agencies, thus avoiding capital gains tax on the appreciation and receiving credit for the current market value of the donated securities.

These vehicles also deserve strong consideration as a gift to fund one of the life-income options (e.g. gift annuities and charitable trusts). (See Life Income Gifts, page 9).

Gifts of Real Estate

Q. Earlier, you mentioned gifts of real estate. How do they work?

- A. A donor may have real estate that he does not need or want. Perhaps he bought a lot or a cottage, planning to retire to it someday, but now does not wish to do so. He could make an outright gift by deeding it

to one of the Alumni Agencies which would sell the property. The proceeds would then be utilized at VMI per the donor's request.

Real estate may also be used to fund a life-income option (page 9) and another possibility is a "life-estate", where the donor deeds a remainder interest in his property as a gift to the Alumni Agencies while retaining for himself the right to occupy the property for his lifetime. If married, both the donor and his spouse may live there through the lifetime of the surviving spouse.

Gifts of real estate require proper documentation and a review by the Alumni Agencies. If you are considering a gift of real estate, contact Terrie Conrad on the Foundation staff at (800) 444-1839, extension 238, to discuss this possibility.

Individual Retirement Accounts

Q. What about gifts through Individual Retirement Accounts (IRAs)?

A. Great question! Gifts through IRAs are becoming increasingly popular, particularly since more people are using the standard deduction when filing tax returns.

- Current Gifts – Donors may make a current gift from their IRA of up to \$100,000 annually. The donor must be age **70 ½** to qualify and the gift from the IRA must be a direct distribution **from the custodial institution** to the charity. This gift can be counted as part of the required minimum distribution (RMD) from the IRA.
- Deferred Gifts – The Foundation and/or the Keydet Club can be made a primary or secondary beneficiary of an IRA account which may help avoid estate and income taxes. This is discussed in more detail later.

Deferred Gifts

Q. What are the options with deferred gifts?

A. Deferred gifts are ones that provide a future benefit to VMI. There are several options, but the most often used are life insurance and bequests, as these are the easiest and least expensive to implement. Other options include life-income gifts such as gift annuities and charitable remainder trusts.

Life Insurance

Q. How do you make a gift using life insurance?

A. There are two suggested ways to make a gift of life insurance:

- You can take an already existing policy and simply add the appropriate alumni agency (see *page 17*) as a full or partial beneficiary. You would still own and control the policy, so, just as with a bequest, there are no current tax benefits. The Class would receive credit for the amount you designate.
- You can donate an existing policy by naming one of the alumni agencies as the owner and beneficiary. If the policy is fully paid up, requiring no further premium payments, then your gift is complete. If premiums are still due, you would be expected to make annual gifts to cover this expense. Such gifts may be treated as charitable contributions on your taxes. Also, if the policy has any cash value (and most such policies do), then you will receive an additional tax deduction, as allowed by law.

Q. What about purchasing a new policy?

A. You could purchase a new policy, making one of the alumni agencies both owner and beneficiary. The recipient agency would pay the required premiums with you then donating premium reimbursements annually (and claiming a charitable deduction). This is probably the least attractive of the three alternatives because of the cost at our age of purchasing a new policy.

Q. How about term life insurance? Isn't it the cheapest of all?

A. Generally, that's true; however, its uncertain payout and other considerations led the Agencies to determine not to accept or count term life insurance policies in their fundraising efforts.

Bequests

- Q. So much for insurance! How about ways to make a gift through my will?**
- A. This is one of the simplest ways to make a gift and one of the least expensive. If you already have a will (and everybody should have one!), add a codicil, which is a paragraph describing the nature and amount of the gift you are making and name the Foundation and/or Keydet Club as the recipient. The codicil must be drafted and executed properly. Advice of counsel is recommended. A copy of the codicil should be given to the appropriate alumni agency for its records. Sample language is available from the Agencies.
- Q. Can I contribute a percentage of my estate? If so, how is that counted?**
- A. You don't have to name a specific dollar amount. You can describe your gift as (i) a percentage of the estate, (ii) a percentage not to exceed a certain dollar amount or (iii) a percentage but not less than a certain dollar amount. Your gift will be counted based on the current value of your estate.
- Q. How can I make an estate gift and still give preference to my family?**
- A. This can be accomplished by specifying that your bequest for VMI come through the estate of the surviving spouse, which means the survivor would have the benefit of the assets before VMI receives the gift. You would need to have coordinated wills, both of which reflect the gift you wish to make to the Institute.
- Q. Can I make an estate gift from assets in my retirement plan (IRA)?**
- A. Yes, you can designate an agency, or agencies, to receive part or all of the balance of your retirement account. This may have better tax treatment than using other assets to make the same gift. You can make the beneficiary designation directly with your account's custodian. If this gift is to come from the surviving spouse, then the beneficiary designation for VMI must also be spelled out in both your and your spouse's documentation.
- Again, it is recommended that your personal advisor assist you in making such a gift most advantageous for your entire estate plan.

Q. What if I have already included a gift for VMI in my will?

- A. Glad you asked. If you have named VMI to receive a bequest from your estate or as a beneficiary of a portion of a life insurance policy, then the Class can receive credit for this gift when you advise the Alumni Agencies of the amount and provide the necessary documentation for the records.

Life Income Gifts

Q. How can I make a gift and receive an income?

- A. The primary life-income gift options are charitable remainder trusts (CRT) and charitable gift annuities (CGA). With a CRT, the donor contributes assets, usually cash or stock, into a special trust that will provide a lifetime income for the beneficiaries designated (usually no more than two). You receive a deduction for a portion of the amount placed in the CRT and, if you fund it with appreciated property, like stock, you can avoid capital gains tax. It's a great way to turn a low-yielding stock into increased income without losing part of it to taxes – truly a win-win situation for the donor and VMI.

Similarly, a charitable gift annuity can be funded with cash or stock. The CGA provides income to the designated recipient(s), you and/or your spouse, on a quarterly schedule. You receive a deduction for a portion of the amount funding the CGA. It is a simpler option in that it does not require an individually drafted trust document.

An interesting CGA option allows the donor to defer income to a later time. You fund a deferred CGA by specifying the date in the future that you want to begin receiving payments. Because the payments are delayed, you may receive increased income and/or a larger tax deduction. The quarterly income payments will last for your life **and** the life of your spouse should she survive you.

There are dollar minimums associated with these gifts, so if you are considering a charitable remainder trust or a gift annuity, contact Terrie Conrad for further clarification and assistance. Terrie can provide specific examples, based on individual circumstances.

- Q. This sounds pretty complicated. Could the Foundation serve as my advisor in something like this?**
- A. The Foundation's staff would be pleased to work with you in whatever way possible and is ready to discuss gift options. However, it is recommended that you have your own financial and legal advisors review your plans to ensure that they fit your particular needs and circumstances.

Gift Designation

- Q. Now that we've covered some of the many ways to give, what can my gift do for VMI?**
- A. Almost anything! Many donors have special programs or projects in which they have taken a special interest. The Institute always has a list of needs; currently these include scholarships (need-based, academic merit, and athletic), faculty support, and athletic operations. Frequently, a donor's interests and the Institute's needs match; but, if not, the Alumni Agencies staff makes a special effort to ensure that both parties are satisfied with the plans before a gift is completed.
- Q. So, what are the options in designating my gift/pledge?**
- A. Most donors contribute to current operations by supporting one or more of VMI's annual giving funds: The Foundation Fund and three with the Keydet Club – Scholarship Fund, Operations Fund and Team Scholarship Funds (restricted to individual NCAA teams). These gifts are used in the year given.

Donors also take this opportunity to make endowment gifts, those not spent but that are aggregated for investment purposes. The income generated by VMI's endowment provides a continuing income stream that supports all facets of the Institute. A donor can contribute to an existing endowment or establish a new one, such as a scholarship.

Named Funds

Q. How do you establish an endowment?

- A. An individually-named endowment is especially gratifying and a popular form of major gift. To establish a named endowment fund for a specific purpose, say a scholarship, either athletic or academic, requires a minimum principal amount of \$75,000. This sum must be reached within five years of the initial gift. For unrestricted endowments (e.g. an unrestricted scholarship), where the Institute has discretion over their use, the principal must reach \$25,000 within five years. As soon as the principal of the endowment reaches the required minimum, it can begin providing its intended support for VMI. In each case the Agencies will work with the donor to document his or her wishes. Several brother rats have established individually-named endowments, most for scholarships.

Donors also can establish named endowments through estate gifts by contributing at the required minimum or above.

Q. Could I add to this endowment later?

- A. Certainly. In fact, many donors get their endowment up and running, then make additional gifts during their lifetimes or make provisions for a donation through an estate gift, such as a bequest. In this way, they can see their endowment at work during their lifetimes and know that its value will be significantly enhanced at some point in the future.

Q. What if I'd like to make an endowment gift, but don't want to establish a new one?

- A. Most likely there's an existing endowment you could enhance through a gift. Ones exist for every academic department, NCAA teams, most cadet activities and scholarships based on academic merit, need, and/or athletics.

The Class of 1973 has two existing endowments:

- Class of 1973 Memorial Scholarship – established during our 25th reunion
- Class of 1973 Endowment – part of the Foundation's unrestricted endowment

Tribute Gifts

- Q. What about making a gift in memory or in honor of a brother rat?
- A. Any gift you make to VMI can be designated in someone's memory or to honor another person. A list of our deceased BRs, as of April 2022, follows on page 15, should you wish to make all or part of your 50th Reunion gift in memory of one or more of them. It is a special way to remember and honor a roommate or other friend from our time together "on the hill."

Qualifying Gifts

- Q. What gifts count for our 50th Reunion Campaign?
- A. For the 50th Reunion, the class receives credit for the following gifts and pledges which have come in through any of the Alumni Agencies:
- Any contribution, pledge or planned gift made to any endowment since our 25th (Fall 1978) and not credited toward our Class of 1973 25th Reunion Campaign.
 - All commitments to VMI made by its members or relatives since our 45th Reunion (July 2018). This includes both current gifts and deferred commitments, such as bequests and life insurance.
 - Pledges to be completed by June 2028.
 - Any corporate support which you can generate will be counted, too. Most often this results from a Corporate Matching Gifts Program.

How to Participate

- Q. I think I understand how the 50th Reunion Campaign functions, so how do I go about making a commitment?
- A. A pledge form will be sent to you. It will list options for your commitment. Before it arrives, think about what the VMI experience has meant to you — its impact on your life — and the importance of ensuring this unique educational experience for future generations. Let that be reflected in your pledge. We hope each brother rat will respond with a significant commitment to include a multi-year pledge of current support and a deferred gift.

Q. What do you mean by significant?

- A. It's a commitment that reflects each individual's personal circumstances. Obviously, some may be able to do more than others, given the assets available to them, and each of us has differing situations regarding family needs. Taking that into consideration, we hope you respond as generously as possible, reflecting your dedication to ensuring the Institute's future.

Gifts of any size made or pledged to any of the Agencies during the five years prior to our 50th Reunion and up to the conclusion of our campaign in June 2028 count toward our total. Your participation will not only boost that total, but also help with our class participation percentage. What an extraordinary message we would send if we had every Brother Rat participating.

A committee member will contact you to assist in your consideration of support and answer any questions you may have.

Q. Any last words of wisdom about our 50th Reunion Campaign?

- A. Yes ... and they're important ones! Tax laws are constantly changing, as are interpretations of the tax laws. The above information is meant to stimulate your thinking on the options for contributing to our Class of 1973 50th Reunion Campaign. The Alumni Agencies staff is ready to discuss these options with you and answer any questions you may have. Additionally, you need to consult with your own tax advisor(s) to see just how your planned gift affects your own situation.

Q. All in all, the 50th Reunion Campaign gives us a unique opportunity to celebrate our class, commemorate our brother rats and contribute to the future of our alma mater, doesn't it?

- A. Absolutely! That's why we hope the entire class comes together to establish a special legacy for the Class of 1973. We sincerely hope you join us in giving thoughtful consideration, consistent with your situation, and respond with a commitment for the Institute, reflective of VMI's impact on your life and our nation.

Our success also will be reflected by our participation at the 50th next April 14-15. We encourage you to return to Lexington for this celebration and to see firsthand the amazing school we were fortunate to attend and meet some of the impressive young men and women who follow in our footsteps. '73! '73! '73!

For questions and assistance with gift options, contact:

Patti Cook, Director of Annual and Reunion Giving

(800) 444-1839, extension 244; pcook@vmiaa.org

Jenny David, Assistant Director of Reunion Giving:

(800) 444-1839, extension 259; jdavid@vmiaa.org

Terrie Conrad, VP for Development & Estate Administration:

(800) 444-1839, extension 238; tconrad@vmiaa.org

Deceased Brother Rats

Douglas Baumgardner
Hunter Beach
John Beadle
Walter Bowden
Douglas Brown
Michael Burks
Bruce Chambers
Thomas Clarke
John Cullipher
Ronald Dodson
John England
John Fisher
Dennis Flanagan
Glen Fowkes
Michael Holleran
Clarence Hunley
Fenton Jordan
James Kitchen
Philip Lynch
Dennis Martin
Gerald Mathews
Mark McCrory
Temple North
Maurice Powers
Warren Richards
Robert Romm
William Rowley
William Seegert
Thad Smith
George Stock
Thomas Stockebrand
Matthew Tignor
John Wilson
Walter Wright

50th Reunion Campaign Results
Classes of the 1950s to 1960s

Class	Year of Reunion	Reunion Total	% Participation
1950A	2000	\$775,000	100%
1950B	2000	\$5,025,573	94%
1951	2001	\$6,042,692	89%
1952	2002	\$6,061,020	95%
1953	2003	\$3,165,957	98%
1954	2004	\$11,617,152	97%
1955	2005	\$12,142,521	88%
1956	2006	\$15,553,057	85%
1957	2007	\$5,176,491	88%
1958	2008	\$16,181,368	90%
1959	2009	\$7,062,539	85%
1960	2010	\$8,496,023	80%
1961	2011	\$8,648,865	90%
1962	2012	\$20,024,850	96%
1963	2013	\$20,112,398	76%
1964	2014	\$6,619,634	72%
1965	2015	\$13,244,485	90%
1966	2016	\$50,000,120	99%
1967	2017	\$22,661,934	81%
1968	2018	\$14,021,054	77%
1969	2019	\$10,262,515	86%
<i>1970*</i>	<i>2020</i>	<i>\$12,094,024</i>	<i>71%</i>
Overall Average			
Median			

**Campaign in progress*

The VMI Alumni Agencies

The three organizations that make up the VMI Alumni Agencies were combined in the fall of 2017 under the direction of a single chief executive officer to promote operational efficiencies. Each agency has retained its board and will continue with its distinctive mission.

The **Alumni Association**'s mission is to organize the alumni of VMI into one general body to keep alive the memories of Institute life and, by their efforts, promote the general welfare of the Institute and the successful prosecution of its educational purposes. It was formed in 1842. Support for the programs of the Alumni Association comes through the VMI Foundation.

The primary mission of the **Keydet Club** (formed in 1934 under a different name) is to raise money for intercollegiate athletic programs at VMI, principally scholarships. The agency receives gifts for current operational use, as well as endowments. The Keydet Club may also raise funds for athletic capital needs.

The **VMI Foundation** (founded in 1937) raises endowment and annual gifts to support virtually any program at the Institute except for NCAA athletics. It also funds most of the programs of the Alumni Association. Gifts to the VMI Foundation may be unrestricted as to use or designated to support a particular program or project. Contributions to the Foundation Fund (the Foundation's annual fund) are unrestricted gifts that are usually spent the same year they are received. Endowment gifts may be designated for a specific purpose – such as a scholarship, departmental fund, the library, etc. – or unrestricted, in which case the income could be used to support any program of the Institute except intercollegiate athletics.

All this sounds confusing, but it really isn't. The key is for the donor to decide what he wants his gift to do. Based on that decision, he can choose the appropriate agency to receive the gift. If you have any questions, don't hesitate to call **Patti Cook** at (800) 444-1839 ext. 244, pcook@vmiaa.org or **Jenny David** at (800) 444-1839 ext. 246, jddavid@vmiaa.org