

## Strategic Giving

Moody Family Foundation offers a way to double or triple a business investment

**T**HE MOODY FAMILY FOUNDATION IS offering a dollar-for-dollar match to encourage donors to establish endowments for the B.I. Moody III College of Business Administration.

And, there's lagniappe: That foundation is granting all endowment naming rights to the other donors.

The deal is sweeter for a person who is at least 70 and a half years old. This year, he or she can create an endowment in the college with funds distributed from an IRA – without paying taxes on that distribution.

Ten endowed professorships were established through the new matching gift program in 2006, its inaugural year. The Moody Family Foundation plans to contribute an additional \$3 million to \$5 million to the program over the next several years, which would help raise \$10 million to \$16 million for the college.

Endowed gifts are invested in perpetuity. Only the interest earned on the principal is spent. "Endowments are the lifeblood of the college.

They allow us to reward outstanding faculty for their research efforts. They also allow us to attract exceptional faculty and students," said Ellen Cook, acting dean of the college.

David Comeaux, director of Planned Giving at UL Lafayette, said the Moody Family Foundation program makes a pop-

ular state Board of Regents Support Fund matching gift program even more appealing. Here's why:

"For an endowed professorship, the usual contribution from the donor is \$60,000. Then the state matches that amount with \$40,000 through the BORSE, for a total of \$100,000. Through the new Moody Family Foundation program, a donor is now able to set up an endowed professorship in the B.I. Moody III College of Business Administration with \$30,000."

The same ratio applies to a \$1 million endowed chair in the college. If a donor gives \$300,000, the Moody Family Foundation will match it. The remaining \$400,000 will be provided through the BORSE.

The minimum endowed scholarship requires a total gift of \$10,000. So, a gift of \$5,000 will be matched by \$5,000 from the Moody Family Foundation. The BORSE does not contribute to endowed scholarships.

The new program has already prompted some donors to create endowments for the B.I. Moody III College of Business Administration now, rather than later. "We had a gentleman who called us and said, 'You know, I've been looking for the right opportunity to establish a professorship and when I heard about the Moody Matching Fund, I thought, 'This is the time.'"

It's an especially opportune time for donors who are at least 70 and a half and would like to use funds from an IRA to create an endowment for the college. Special Charitable IRA Rollover legislation included in the Pension Protection Act of 2006 enables them to do that without paying income taxes on their gifts. The provision applies only to donations of up to \$100,000 per IRA holder in 2006 and 2007.

"One gentleman transferred \$30,000 from his IRA for an endowed professorship in business, got the \$30,000 match from the Moody Family Foundation and will get \$40,000 from the state BORSE.

### B.I. MOODY III COLLEGE OF BUSINESS ADMINISTRATION

- The college is named in honor of B.I. Moody III, '49, chairman of The Moody Company and of Louisiana State Newspapers Inc. Moody and his wife, the former Thelma Hebert, have nine children and 49 grandchildren.



B.I. Moody III

- The MBA program is included in the 2007 edition of Princeton Review's *Best 282 Business Schools*.

- There are 55 continuing faculty members. Thirty-six hold doctoral degrees; three hold juris doctorates.

- A total of 2,587 undergraduate students are pursuing bachelor of science degrees in business administration.

- There are 158 students enrolled in the master of business administration program. The college offers a traditional MBA and a concentration in healthcare administration.

- Students may major in nine areas of business: accounting; business systems, analysis and technology (management information systems); economics; finance; insurance and risk management; hospitality management; management; marketing; and professional land and resource management.

- Moody Hall, which houses the college, opened in Spring 2006. An extension of F.G. Mouton Hall, it has about 65,000 square feet of space. The buildings



are connected by walkways on the ground floor and second floor. Moody Hall has the most technologically advanced auditorium on UL Lafayette's campus.

"Because he made his gift through the Charitable IRA Program, he had tremendous tax savings," Comeaux said.

"If he had withdrawn \$30,000 from his IRA for personal use, he would have been required to pay taxes on that amount. Let's say he's in a 25 percent or higher income tax bracket. He would have paid \$7,500 or more in federal income taxes on that \$30,000."

Also, heirs can face hefty inheritance taxes on IRAs.

"Some donors have indicated that they are going to leave \$600,000 from their IRA to the university for an endowed chair. They have told us that, basically, 70 percent of that money would be lost to taxes if they left it to their children. In that case, \$420,000 of the \$600,000 would be paid in income and inheritance taxes."

Mr. and Mrs. J. Hubert Dumesnil took advantage of the Charitable IRA Rollover last year to establish the Hubert "Red" and Gertrude Dumesnil Endowed Professorship in Economics in the the B.I. Moody III College of Business Administration.

Hubert Dumesnil is a longtime banker and graduate of Southwestern Louisiana Institute, which is now known as UL Lafayette.

"We're donating the children's inheritance. Maybe we ought to put 'the Dumesnil family' instead of my name," he joked.

Cook said she has been "over-

**Ten endowed professorships were established through the new matching gift program in 2006, its inaugural year.**

whelmed" by the response to the new endowment incentive.

Kevin Moody developed the matching gift program with Dr. Lewis Gale, former dean of the B.I. Moody III College of Business Administration.

Moody was a student in an accounting class that Cook taught over 20 years ago. She said she has thanked him and Moody family members on several occasions for their generosity.

"One day, Kevin finally said, 'Ellen, quit thanking me. If you help make the College of Business Administration – with my dad's name on it – the best in the state, that's thanks enough.'"

For more information about the Moody Family Foundation matching gift program, or a Charitable IRA Rollover, call Comeaux at (337) 482-0922 or send e-mail to [dcomeaux@louisiana.edu](mailto:dcomeaux@louisiana.edu)

<http://cobweb.louisiana.edu/>

### TAX BREAK ISN'T FOR BUSINESS ONLY

**U**ncle Sam wants you to give – if you're old enough.

The Pension Protection Act of 2006 enables an eligible donor to contribute funds from an IRA to UL Lafayette without paying taxes on his contribution.

The federal tax break applies to individuals who are at least 70 and a half years old who make a gift to qualified charities, such as a university, from traditional or Roth IRAs. And, it's only available this year.

"The primary benefit to the donor of making a Charitable IRA Rollover gift is that the donor does not have to recognize the gift distribution as income. So, the donor does not have to pay income taxes on the gift distribution," said David Comeaux, UL

Lafayette's director of Planned Giving.

Typically, a person who is 70 and a half or older is required to take a minimum distribution from his IRA each year. The amount withdrawn is taxable.

"Essentially, this is freeing up an asset held by many of our alumni and donors that can be used to make a gift and possibly establish a named endowment at the university," Comeaux said.

For those over the age of 59 1/2, funds may not be distributed directly to charity but can be withdrawn from the IRA or other retirement funds and then donated to charity without the donor having to pay the 10 percent penalty for early withdrawal.

For more information, call UL Lafayette's Development Office at (337) 482-0922. ■