

TEXAS A&M FOUNDATION



GIVING GUIDE

*Explore how you can impact Aggieland with
a gift for Texas A&M University.*

**LEAD BY
EXAMPLE™**

CONTENTS

Thank you for your interest in supporting Texas A&M University with a gift through the Texas A&M Foundation! Creating a gift for a student, faculty member, college or program—whether a one-time donation or a long-term endowment—is a rewarding experience that helps build a brighter future for Aggies today and tomorrow.

In this guide, you will learn more about the Foundation’s mission, the areas you can impact at Texas A&M and the different giving methods available to you. We look forward to partnering with you as you decide how to leave your legacy in Aggieland!

03 Texas A&M Foundation

05 Passion Areas

13 Giving Options

16 Endowments



TEXAS A&M FOUNDATION

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• TEXAS A&M FOUNDATION



The Texas A&M Foundation builds a brighter future for Texas A&M University, one relationship at a time.

Our vision is to be among the most trusted philanthropies in higher education.



As a 501(c)3 nonprofit, the Texas A&M Foundation is the primary academic fundraising institution for Texas A&M University charged with raising and managing gifts of all types and sizes, with a focus on major gift endowments. We invest these gifts and disburse part of the investment earnings for the purposes designated by donors. In this way, endowments remain forever and continually benefit Texas A&M.

Our team partners with former students, corporations and other supporters to match their passions with opportunities for purposeful philanthropy at Texas A&M. Gifts create scholarships, advance faculty endeavors, enhance student programs and fund campus construction, greatly enhancing Texas A&M's mission to provide the highest quality undergraduate and graduate programs and develop new understandings through research and creativity.



Why does Texas A&M, a state university, need *private gifts?*

Texas A&M University receives approximately 19% of its total revenue budget from state appropriations, which continue to decrease on a per student basis. With increasing pressure on state budgets, the role of private support is increasingly vital to Aggieland's future.

Decreases in state funding can cause increases in tuition, which in turn places additional financial burdens on students and families. Texas A&M benefits tremendously from philanthropy not only to maintain its affordability, but also to provide the financial means necessary for the university to excel as a world-class institution.

Raising funds for the university through an independent nonprofit foundation has multiple benefits:



We remain flexible in our investments to increase our earnings.



We ensure that funds are used for the purpose designated by donors.



We respect donors' privacy by keeping personal giving and financial records confidential.

FY2021 BY THE NUMBERS

9,441

TOTAL DONORS

15,921

TOTAL NUMBER OF
GIFTS RECEIVED

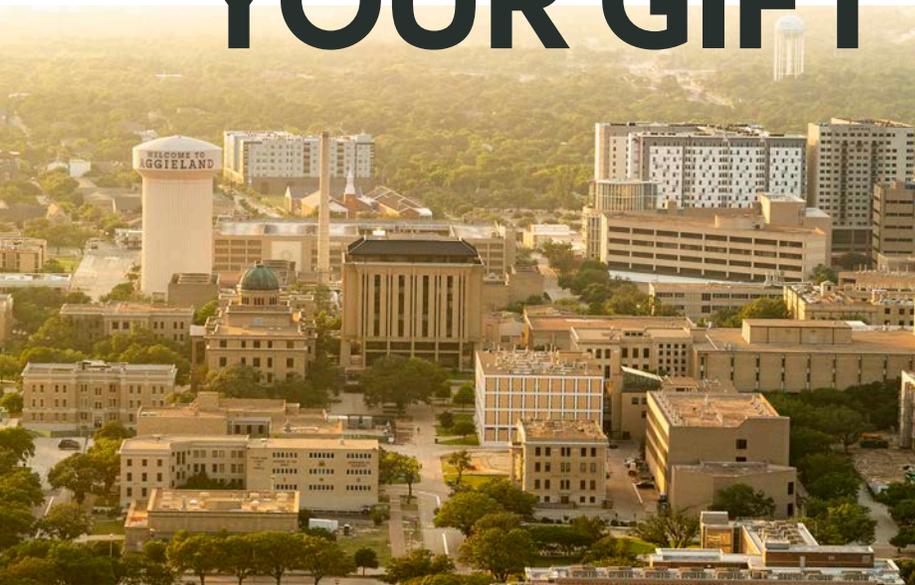
\$117.3

MILLION PROVIDED TO
TEXAS A&M UNIVERSITY

\$2.69

BILLION TOTAL
REPORTED NET ASSETS

CUSTOMIZE YOUR GIFT



You can give to the Foundation via an endowed gift or with pass-through funds. With either method, you can customize your gift to support what you're most passionate about in Aggieland, such as student scholarships, faculty and research, college programs, student activities, Aggie traditions or campus facilities. For example, in creating an endowed scholarship, you may choose to support students from Harris County, Texas, who are studying petroleum engineering. The majority of our donors choose to direct their gifts in a specific way.

For gifts of \$25,000 or more, we will draft a gift agreement outlining the purpose, form, schedule and administration of your gift. Once documented, the Foundation and university are obligated to direct those funds as you have specified for the future.

There are a number of available giving methods that may fit your unique financial situation, many of which offer substantial tax benefits (see page 14). In appreciation for your gift, you may also receive an invitation to join our exclusive Legacy and Heritage societies.



SCHOLARSHIPS



FACULTY & RESEARCH



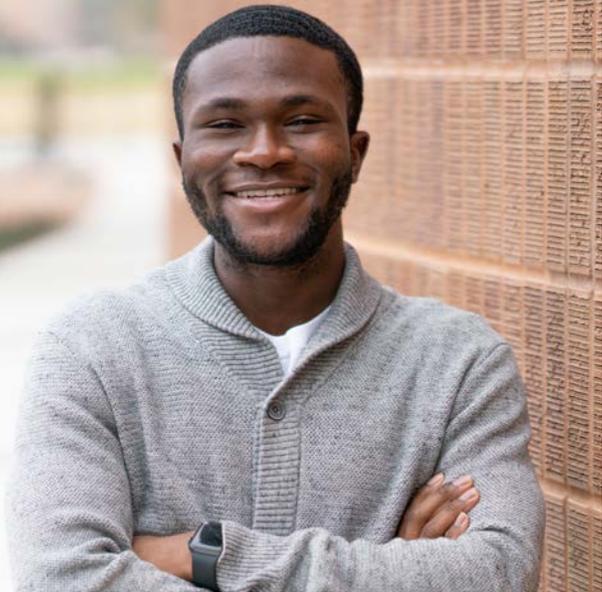
STUDENT ACTIVITIES



COLLEGE PROGRAMS



EMPOWER **AGGIES WITH A SCHOLARSHIP**



→ *When you fund a scholarship or fellowship, you make a profound difference in the lives of individual students and in the lives those students touch as graduates of Texas A&M University.*

Some of the best high school students can't afford today's tuition, but scholarships open a world of possibilities to them. Scholarships also free Aggies from the necessity of part-time jobs, giving them more time to satisfy their intellectual curiosity or to participate in Texas A&M's character-building organizations.



Endowed Scholarships

Endowed scholarships are crucial to Texas A&M's future because they provide benefits to students for generations. As your gift is invested in the Texas A&M Foundation's portfolio, it produces a consistent stream of annual returns that support the scholarship program you designate. Because we have an annually set payout rate and carefully manage our portfolio through diversification, you can rest assured that a scholarship endowment will always support students whether the market is up or down.



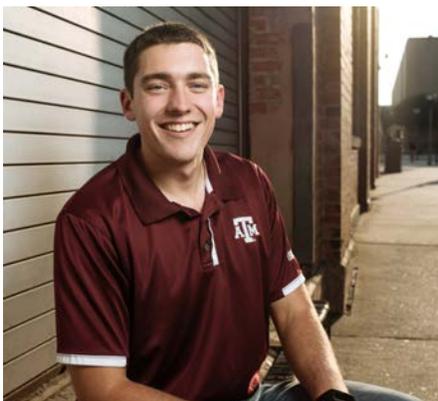
Annual Scholarships

While most donors choose to create an endowed gift that will last forever, you may also choose to fund an annual scholarship by making a pass-through gift.



Scholarship Programs

There are a variety of scholarship programs that allow you to direct your gift in creative ways and form lifetime relationships with student recipients (see next page). Some scholarships are awarded based on academic achievement; others support Aggies from underrepresented groups or those with financial need. You can also create a college- or department-based scholarship of your own design rather than giving through one of our existing programs.



Most donors choose to direct their scholarship to support a student in a particular major, field of study or from a specific geographic region. Scholarships may be named in memory or honor of a person, class or organization of your choice. Charitable gifts are tax-deductible to the extent allowed by law, and most gifts are payable over a five-year period.

SCHOLARSHIP OPPORTUNITIES

Scholarship Name	Description	Minimum Endowment Amount
Foundation Excellence Award (FEA)	FEAs help recruit and retain outstanding undergraduates from historically disadvantaged groups often underrepresented in our student body, including minorities and those who face significant economic or educational hurdles.	<ul style="list-style-type: none"> • \$10,000 will fund a one-time, four-year award for one student. • \$50,000 will permanently endow an award to provide one student an annual stipend for four years.
Endowed Opportunity Award (EOA)	EOAs are for entering Texas A&M freshmen who have not attended another college or university. Selection is based on an applicant's high school academic record, character, activities, leadership ability, SAT or ACT scores and, in most cases, evidence of financial need.	\$25,000 will permanently endow an award to provide one student an annual stipend for four years.
President's Endowed Scholarship (PES)	The PES rewards incoming Texas A&M freshmen who have demonstrated outstanding academic achievements in high school. Financial information is not considered in selecting academic merit scholarship recipients.	\$100,000. The endowment established by the gift funds a stipend for one student for four years.
Regents' Scholarship	The Regents' Scholars Program supports first-generation undergraduates whose total family income is less than \$40,000 per year. Recipients must live on campus during their freshman year and participate in one of Texas A&M's learning communities.	\$100,000 will permanently endow an award to provide one student an annual stipend for four years.

Scholarship Name	Description	Minimum Endowment Amount
Global Study Scholarship	Global Study Scholarships give students the gift of international education and travel. Programs vary in length, from one year or a full semester to one summer or less than one month.	\$25,000 provides a student with a one-year award. Every year, a new student will benefit from the scholarship.
J. Malon Southerland Aggie Leader Scholarship	The J. Malon Southerland Aggie Leader Scholarships recognize and reward student involvement at Texas A&M. The primary qualifications for assistance include leadership and involvement.	\$25,000 provides a student with a one-year award. Every year, a new student will benefit from the scholarship.
Corps of Cadets Scholarship	Corps of Cadets Scholarships develop well-educated leaders of character and support active members in the Corps. There are four levels of Corps scholarship support that provide annual stipends to students ranging from \$1,000 to \$4,000.	<ul style="list-style-type: none"> • Keepers of the Spirit Scholarship: \$500,000 • Corps 21 Scholarship: \$100,000 • General Rudder Corps Scholarship: \$50,000 • Sul Ross Corps Scholarship: \$25,000
Aggie Veteran Scholarship	Aggie Veteran Scholarships support veteran students or their spouses during their time at Texas A&M. There are three levels of veteran scholarship support that provide annual stipends to students ranging from \$1,000 to \$4,000.	<ul style="list-style-type: none"> • Aggie Veteran Freedom Scholarship: \$100,000 • Aggie Veteran Patriot Scholarship: \$50,000 • Aggie Veteran Honor Scholarship: \$25,000
General Scholarships	You can create a customized scholarship of your own design rather than giving through one of our existing programs. You can name your scholarship in memory or honor of a person, class or organization, and you can direct it to support a student of any classification in a particular major, field of study, or from a specific geographic region.	\$25,000 is the minimum amount to endow a general scholarship.

ADVANCE FACULTY & RESEARCH



→ *Texas A&M University is committed to creating an environment in which faculty feel inspired and enabled to reach their full potential through academic freedom.*

Through an endowed gift to the Texas A&M Foundation, you can help attract high-quality faculty to the university, increase retention, and enhance creativity and productivity. Because state funds cover only basic faculty requirements, private support is more critical than ever.

You can invest in faculty by creating an endowed chair, professorship or fellowship. These are elite academic positions held only by top professors on campus.

The endowed funds from these gifts generate an annual income to pay for a professor's research, travel costs, and the salaries of his or her graduate assistants. Chair, professorship and fellowship names are part of a professor's title, and you can choose to name your gift after yourself or someone you'd like to honor. The faculty member awarded your chair, professorship or fellowship is referred to as the holder.



***PRESERVE* THE AGGIE SPIRIT**



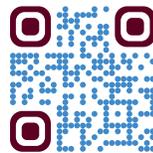
Texas A&M University's student programs have been turning Aggies into outstanding citizens for more than a century. Considered by many Aggies as a "second education" altogether, these more than 1,000 campus programs build well-rounded leaders with positive values whose contributions to business and civic life are immeasurable.

The Texas A&M Foundation manages endowments for many of Texas A&M's student organizations, such as the Corps of Cadets, The Big Event, Fish Camp and Memorial Student Center leadership programs.

As all programs are inextricably connected and overseen by the Division of Student Affairs, a gift to any initiative positively impacts the overall Aggie student experience.



→ *Visit give.am/StudentActivities to see just a few campus organizations you may wish to support with an endowed gift using the method of your choice. You can also give online donations of \$25 or more to these organizations and other student groups by visiting txamfoundation.com/give.*



FOSTER COLLEGE EXCELLENCE



The Foundation's leadership works closely with Texas A&M University administrators, such as the university president, deans and department heads, to identify priorities and needs within each of Texas A&M's colleges and branch campuses. These become the focus of Foundation fundraising efforts. Programs housed within Texas A&M's



You can view a list of current priorities for each college and unit at Texas A&M University by visiting give.am/CollegePrograms.

colleges and units play an important role in the university's land-grant mission and add to the exceptional academic experience every student seeks in Aggieland.

Additionally, there are opportunities to create endowed excellence funds for a specific department, which allows a dean or department head to use the funds for specific unit priorities. As these priorities are continually evolving, excellence funds are both generous and practical. For example, a dean or department head could use discretionary gifts in an excellence



fund for equipment acquisition, faculty teaching awards or career development, student competitions or conference travel, or special events.



YOUR GIFT. YOUR WAY. YOUR **TEXAS A&M.**



*Building a brighter
future for Texas
A&M University.*



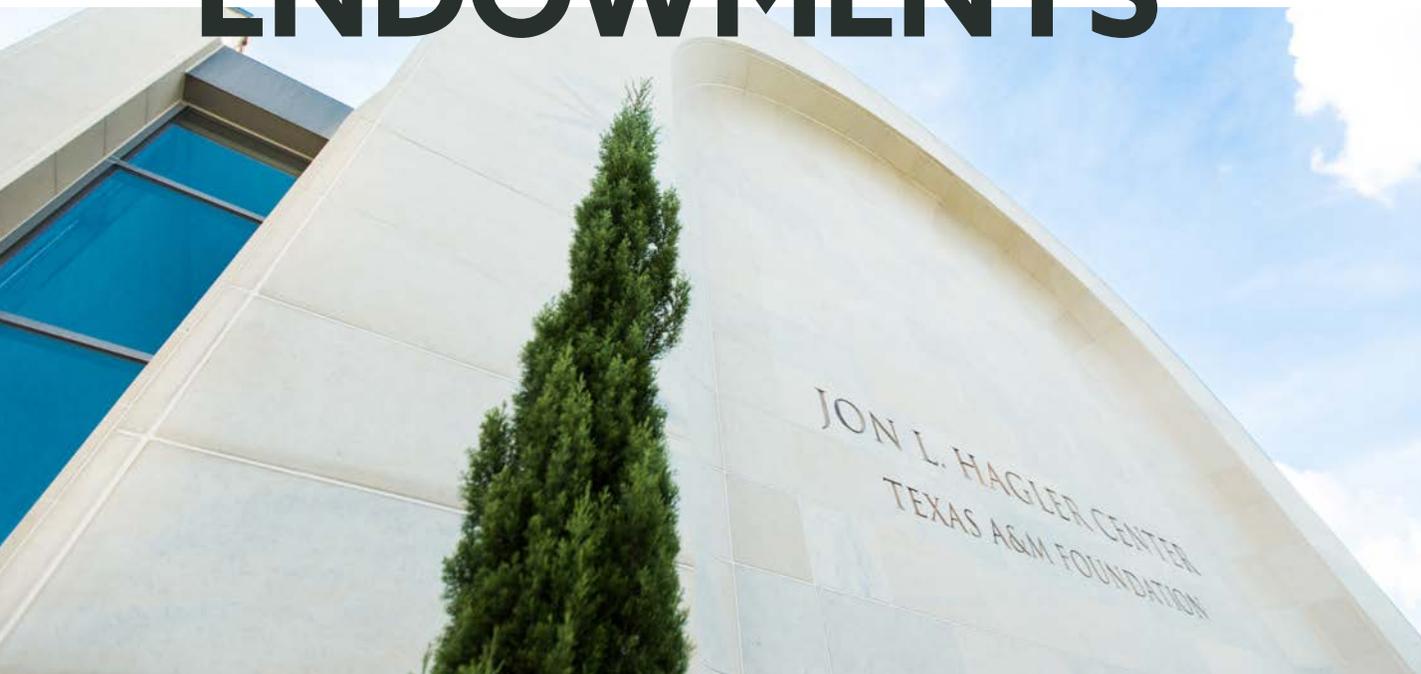
You can support Texas A&M in many ways, and very few methods require a lump-sum check. You can pledge a gift to be completed in five years or plan a gift that will be fully funded in the future. When you invest in the university, you make a difference for our state, nation and world. As we look toward the future, we know that the generosity

of those who invest in Texas A&M will make a tremendous impact on our university's success. The best giving plans make a difference in the lives of others and improve your own financial and/or tax situation—often right away. When you support Texas A&M, our team members will work with you to find the optimal gift type.

	Your Gift	Minimum	Funding Assets	Your Goal
CURRENT GIFTS	Cash	No minimum	Check, credit card, electronic funds	Make a quick and easy gift
	Securities	No minimum	Publicly held stocks, bonds, mutual funds	Avoid capital gains taxes
	Cryptocurrency	No minimum	Virtual currencies	Give virtual assets quickly and easily that are treated like property
	Real Estate	\$25,000	Home, oil and gas interests, vacation property, commercial property, land	Generate significant tax benefits through a property gift
AFTER-LIFETIME GIFTS	IRA Charitable Rollover	No minimum	Individual Retirement Account	Make a tax friendly gift from your IRA
	Donor Advised Funds	No minimum	Donor Advised Fund	Easy way to make an impact
	Bequest	No minimum	Cash, securities, real estate	Control assets during your lifetime
	Retirement Account	No minimum	Retirement assets	Avoid double taxation on your retirement assets
DUAL-BENEFIT GIFTS	Life Insurance	No minimum	Life insurance policy	Make a gift without using current assets
	Testamentary Charitable Remainder Unitrust	Contact us	Retirement assets, cash, securities, real estate	Pass part of your estate to others in the form of regular payments
	Charitable Gift Annuity*			
	Deferred Charitable Gift Annuity	\$10,000	Cash, securities	Receive fixed payments for life
	Charitable Remainder Trust	Contact us	Cash, securities, real estate	Turn an appreciated asset producing little income into an income stream with tax advantages, and avoid capital gains taxes at the time of sale
Charitable Lead Trust	Contact us	Cash, securities, real estate	Benefit Texas A&M and then transfer assets to family at minimal tax cost	
Retained Life Estate	Based on appraised amount	Real estate	Give a gift of real estate but maintain lifetime use	
Part Unitrust, Part Sale	Based on appraised amount	Real estate	Liquidate a highly appreciated asset without incurring substantial taxes	

How It Works	Advantages
Write a check, give online or set up a funds transfer	Income tax deduction
Transfer your securities to the Foundation	Income tax deduction Capital gains bypassed
Donate cryptocurrency online through the Foundation’s service provider	Capital gains bypassed
Donate your property to the Foundation	Income tax deduction Capital gains bypassed Burdens of ownership removed
If you are 70.5 or older, you can instruct your retirement account custodian to distribute up to \$100,000 per year to the Foundation	Reduce taxable income Satisfy your required minimum distribution
Make a gift from your donor advised fund to the Foundation	Easy way to give
Designate the Foundation as beneficiary in your will or living trust	Estate tax deduction Revocable
Designate the Foundation as beneficiary of your retirement account	Income and estate tax advantages Revocable
Change beneficiary or transfer ownership of your life insurance policy to the Foundation	Tax advantages
Include a charitable trust in your will or living trust that pays your beneficiaries for a term of years or life; the Foundation receives the remainder	Estate tax deduction Payments to beneficiaries for life or term of years Revocable
Give cash or securities to fund a gift annuity and receive fixed payments for life; the Foundation receives the remainder <i>*Charitable gift annuities are not available in all states</i>	Partial income tax deduction Capital gains tax advantages Payments for life, some portion tax-free Attractive rates
Transfer cash or appreciated property to fund a trust that sells your property and provides you with payments for a term of years or life; the Foundation receives the remainder	Partial income and estate tax deduction Capital gains tax advantages Payments for life, some portion tax-free Attractive rates
Transfer cash or property to fund a trust that makes gifts to the Foundation for a term of years; your family receives the remainder	Income, estate or gift tax deduction
Give your property to the Foundation but retain the right to use the property during your life or the life of a beneficiary	Income and estate tax advantages Lifetime use of property
Deed a portion of your real estate into a charitable remainder trust; after the property is sold, you receive your portion of the proceeds and your trust receives its share	Income tax deduction Capital gains tax advantages Burdens of ownership removed

ENDOWMENTS



Establishing an endowment is one of the most powerful ways to make a lasting impact on Texas A&M University, and a majority of donors choose to give in this way. Endowments are a critical component of the Foundation's mission to build a brighter future for Texas A&M, because they guarantee that financial support will remain readily available for the future needs of Aggieland and its students. Discover some of the most frequently asked questions about endowments.



What is an endowment?

An endowment is a permanent fund that the Foundation invests for the benefit of Texas A&M. It is an amazing philanthropic tool that allows you to benefit Aggieland for generations.



How can I create an endowment?

Creating an endowment is easy and comes with the freedom to direct your gift for a specific purpose based on your passions at Texas A&M. Your wishes for the name of the endowment and what it will support in Aggieland are documented via a signed gift agreement with the Foundation. While endowments begin at \$25,000, you can fund your gift over a period of up to five years. No matter what you choose to support, your gift will create a powerful legacy given the long-term financial impacts of endowments.



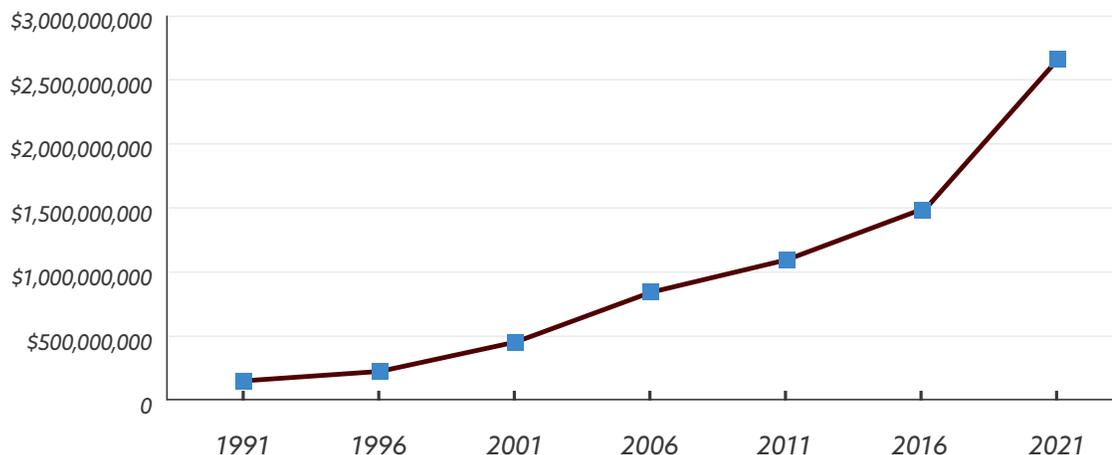
How does the Texas A&M Foundation manage endowed gifts?

When you create an endowment, the Foundation takes your gift—called the “principal”—and permanently invests it in our Long-Term Investment Pool (LTIP), a highly diversified portfolio. The LTIP is a dedicated source of long-term funding, made up of thousands of endowed gifts of all sizes from donors, that supports the mission and work of Texas A&M. The LTIP is managed by the Foundation’s Investment Office with oversight from our Board of Trustees. Our Investment Team also leverages third-party relationships to provide additional resources and support for the overall investment process.

Each year, a portion of the LTIP is paid out to the university as an annual distribution to fund the purposes designated by donors. The Foundation determines a payout rate for all endowments based on long-term goals and current market conditions. This annual payout rate is what will support your passions in Aggieland, while the principal is maintained in perpetuity—even in a market downturn.

Additionally, it is the Foundation’s view that diversification is the single most important component to help us meet our university funding objectives year after year and perpetually provide value to Texas A&M. The overall risk in our portfolio is significantly reduced through investments that are broadly diversified by type, strategy, asset class, geography and risk exposure. Given the size of our total portfolio, we have access to best-in-class investment managers across a wide variety of asset classes and can construct a portfolio with differentiated return streams that is difficult to replicate for a non-institutional investor.

→ Long-Term Investment Pool Growth



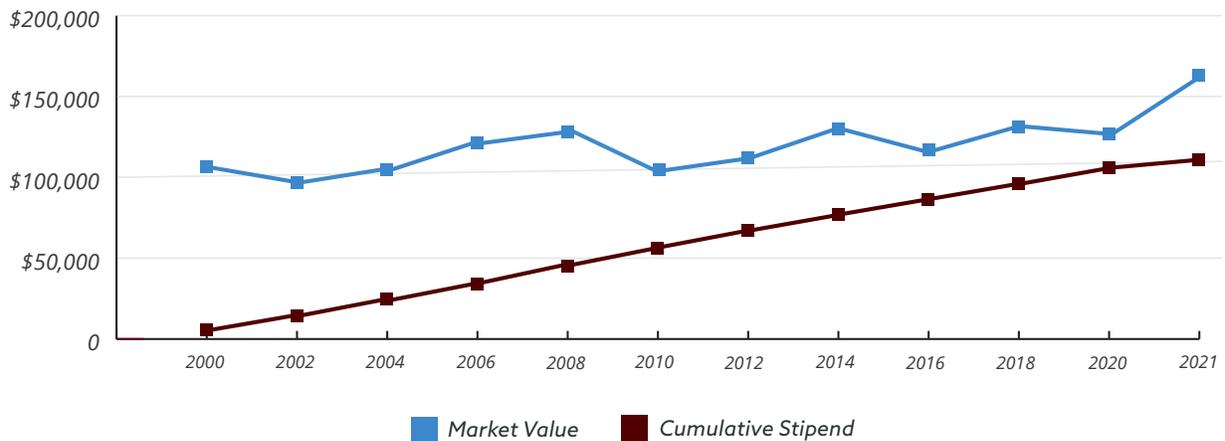


How do endowments benefit Texas A&M University?

While all gifts to the Foundation contribute to the high quality of education found at Texas A&M, endowments are particularly meaningful as they offer a dependable source of funding. Plus, as more individuals contribute endowed gifts to the Foundation’s portfolio, financial support for Texas A&M continues to increase, resulting in greater campus impact.

→ *The Growth of an Endowment*

We invest endowment funds using asset allocation to maximize growth while safeguarding capital during tough economic times. The chart below illustrates the market value of a \$100,000 endowed scholarship created in 2000 and its cumulative value of student stipends. This single endowment would have paid out \$110,978 by 2021. Its market value after 21 years would be \$163,284. Over that 21-year period, the payout is greater than the original gift value and will provide an even greater impact in the years to come.



DONATION SCHEDULES

→ Presenting the four most commonly used donation schedules using a \$25,000 endowment.

EXAMPLE 1 ————— Immediate distribution with an immediate donation and additional stipend



IMMEDIATE
\$25,000 payment

+



STIPEND
\$1,000

= \$26,000 donation

EXAMPLE 2 ————— Second year distribution with an immediate donation in the first year



IMMEDIATE
\$25,000 payment

+



2 YEARS
account growth

= \$25,000 donation

EXAMPLE 3 ————— Immediate distribution using a five-year donation period and additional stipend*



5 YEARS
\$5,000 per year

+



5 YEARS
\$1,000 per year
immediate stipend

= \$30,000 donation

EXAMPLE 4 ————— Seventh year distribution using a five-year donation period



5 YEARS
\$5,000 per year

+



4 YEARS
account growth

= \$25,000 donation

* The pass-through gift is awarded to the student. Future stipend amounts are awarded at the discretion of the account administrator. These examples assume payments are made by check or cash. Gifts made by credit cards may extend the payout date because of the 3% fee. Gifts supporting scholarship programs including the President's Endowed Scholarship, Endowed Opportunity Award, Foundation Excellence Award, Regents' Scholarship and Corps of Cadets Scholarships may vary from the above mentioned stipend amount. Please contact a program administrator for stipends related to these accounts.



Start the Conversation

Ready to get started on your Aggieland giving journey? Let us know today, and we'll connect with you an appropriate team member.

TEXAS A&M FOUNDATION

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