

October 22, 2007

Dear _____,

On August 17, 2006 President Bush signed a new pension bill that also permits IRA charitable rollovers.

Over the past years, IRAs have grown in value. Many of our friends have benefited from that growth and asked if they can make gifts from their IRA. Until now they have had to take a withdrawal and report the IRA in their personal income tax return.

Today there is a great new option – the IRA charitable rollover. If you are over 70½, you are eligible to make an IRA charitable rollover to public charities like ours. And the good news is that your IRA distribution to the Texas A&M Foundation will be similar to other IRA rollovers -- it will not be included in your Federal taxable income.

While there is no added deduction for an IRA charitable rollover, avoiding an additional \$100,000 of taxable income may save substantial income taxes not otherwise available. An added bonus is that your IRA charitable rollover this year will qualify for all or part of your required IRA minimum distribution.

Who may want an IRA rollover? Charitable IRA rollovers will be popular for at least five reasons:

1. Convenience – It is a very simple and easy way to make a gift.
2. Standard Deduction Benefit – With an IRA charitable rollover, you may take the standard deduction. Since the IRA rollover is not on your return, it may reduce your taxes.
3. Lower Tax on Social Security – Because of an IRA distribution, you may be paying tax on 85% of your Social Security. Using the IRA charitable rollover may lower your income and only 50% of Social Security is taxable.
4. No Giving Limits – With an IRA charitable rollover, you may give more than the usual deductible amount of 50% of income.
5. Lower Income Level Saves Tax – Persons with higher incomes often lose part of their charitable deductions and other tax benefits. Using an IRA charitable rollover for part or all of your IRA required distribution may lower your income and save taxes.

DRAFT LETTER TO REQUEST CHARITABLE DISTRIBUTION FROM IRA

Date

Name

Address

City, State

Dear Sir or Madam:

Please accept this letter as my request to make a direct charitable distribution from my Individual Retirement Account (Account Number) as provided by the Sec. 1201 of the Pension Protection Act. Of 2006 and Sec. 408 (d)(8) of the Internal Revenue Code of 1986, as amended.

Please issue a check in the amount of \$ _____ payable to the Texas A&M Foundation at the following address:

Gift Processing
Texas A&M Foundation
401 George Bush Drive
College Station, Texas 77840

Or if possible please wire the funds to the Texas A&M Foundation. The following information will be required by the sending bank:

- Bank Name: Frost National Bank
- Transit Number: ABA 114000093
- BNF Number: 01-0373494
- Trust Account Name: Texas A&M Foundation
- Trust Account Number: F001110603
- Attention: Steve Klein (210-220-4743)
- Name of person sending funds/phone: _____

In your transmittal to the Texas A&M Foundation, please memorialize my name and address as the donor of record in connection with this transfer. Please copy me on your transmittal.

It is my intention to have this transfer qualify for exclusion during the 2007 tax year. It is imperative that this distribution be postmarked no later than December 31, 2007.

If you have any questions or need to contact me, I can be reached at (telephone). Thank you for your assistance in this matter.

Sincerely,
(Plan Owner)

***DRAFT LETTER FROM DONOR INFORMING THE TEXAS A&M FOUNDATION
OF FORTHCOMING QUALIFIED CHARITABLE DISTRIBUTION FROM IRA
ADMINISTRATOR***

Date

Texas A&M Foundation
Office of Gift Planning
Glenn Pittsford, Assistant Vice President for Gift Planning
401 George Bush Drive
College Station, Texas 77840

Dear Mr. Pittsford:

It is my pleasure to inform you that I have requested a qualified charitable distribution from my Individual Retirement Account payable to the Texas A&M Foundation in the amount of \$_____ from my plan/trustee administrator, (name of trustee/administrator).

It is my intent to comply with the requirements of Sec. 1201 of the Pension Protection Act of 2006 and Sec. 408(d)(8) of the Internal Revenue Code of 1986, as amended, in connection with this gift.

Accordingly, upon your receipt of payment from my trustee/administrator, please send me a contemporaneous written acknowledgement that states the amount of my gift, that no goods or services were transferred to me by your organization in consideration for this gift, and that my gift will not be placed in a donor advised fund or supporting organization.

I would like my gift to be used as follows: _____.

If you have any questions or need to contact me, my telephone number is _____.

Sincerely,

(Donor)

October 22, 2007

Your IRA charitable rollovers during 2007 could be \$1,000, \$5,000 or any amount up to \$100,000. We recommend that you discuss the benefits of an IRA rollover with your CPA or tax advisor.

The enclosed letter draft will be helpful as you instruct your IRA custodian to make the direct charitable distribution you desire to the Texas A&M Foundation. The second draft letter is one you can send back to me so we can be anticipating the distribution from your custodian. Please call me with any questions at all.

Thank you very much for your great generosity toward Texas A&M.

Cordially yours,

Glenn Pittsford
Assistant Vice President for Gift Planning