Dear Friends,

Many of you will notice that this issue of "Giving with Vision" has a new look. With the recent launch of the Transforming Medicine Campaign for Dartmouth Medical School and Dartmouth-Hitchcock Medical Center, we thought it was appropriate to do some transforming of our own. We hope you enjoy it!

The goal of the Transforming Medicine Campaign is to raise $250 million in philanthropic gifts by 2009. These gifts will increase endowment for faculty support and program development; for advancing research, academic, and clinical initiatives; and for building new facilities.

As of the end of July, more than $101 million in Campaign commitments has been recorded. But we have a long way to go to meet our ultimate goal.

Planned gifts empower you to help DMS and DHMC transform medicine while preserving your wealth through tax advantages. Certain planned gifts may provide you and your loved ones with an income for life.

As you plan your next gift, please consider us a resource to help you design a gift planning strategy that meets your philanthropic and financial goals. Thank you for your support as DMS and DHMC continue to transform medicine.

Cordially,

David B. Ely, CFP®, ChFC
Director of Gift Planning

Leave a Legacy: Make a Difference in the Lives That Follow

LEAVE A LEGACY® New Hampshire/Vermont is a volunteer, non-profit organization sponsored by the Upper Valley Planned Giving Council. The program’s goal is to inspire people to make planned gifts to organizations they care about most, and ultimately increase the number of gifts made to charities throughout New Hampshire and Vermont.

LEAVE A LEGACY® does not solicit gifts for any particular organization. Rather, it is a partnership between all types of charitable organizations including social service and arts organizations, churches, hospitals and schools; professional advisors such as investment advisors, accountants, and attorneys; and local businesses that support charitable giving.

DHMC is a proud partner of LEAVE A LEGACY® New Hampshire/Vermont. To learn more about leaving your own legacy, please contact the Office of Gift Planning.
The Forgotten Policy

Life insurance is a valuable planned gift option that is often overlooked. While it is often purchased as part of an overall financial or estate plan, the need for life insurance may change as circumstances in your life change. For example, children become self-sufficient, mortgages get paid off, and a lifetime of savings can provide income and peace of mind. As a result, your life insurance coverage may no longer be needed for the reason it was initially purchased.

This is especially true for life insurance policies that were purchased to pay future estate taxes. As federal estate tax limits rise, fewer and fewer people are being affected by this tax, which can reduce or eliminate the need for this type of policy.

Did you know that your life insurance policy can provide a much needed benefit to Dartmouth-Hitchcock Medical Center or Dartmouth Medical School today or in the future?

One option is to transfer ownership of an existing cash-value life insurance policy to DHMC or DMS. This irrevocable gift would entitle you to a 2005 charitable income tax deduction. The policy’s cash value can be used to support the program or service of your choice.

Example:
In 1974, Mr. and Mrs. Wilson purchased a $250,000 life insurance policy on Mr. Wilson’s life to provide for their family’s needs. The policy now has $150,000 in cash value. Their children are grown and the Wilsons’ financial advisor has determined the policy is no longer needed for financial security. This prompted the Wilsons to transfer ownership of the policy to DMS in support of clinical teaching. Their gift entitles them to claim a $150,000 charitable income tax deduction.

Another option is to name DHMC or DMS as a full or partial beneficiary of the policy. In this case, you retain ownership of the policy. However upon your death, the policy’s proceeds will be distributed according to your wishes.

Example:
In 1968, Dr. Anderson purchased a $250,000 life insurance policy on his life to provide for his children’s needs. His children are now grown and his financial advisor has determined the policy is no longer needed for financial security. Because of this, Dr. Anderson decided to change the policy’s beneficiary arrangement to provide $150,000 to his grandchildren and $100,000 to DHMC for cancer care and research.

A gift of life insurance is just one of many gift planning strategies available through the Office of Gift Planning. To learn more, please contact our office. We are always available to meet with you and/or your professional advisors as needed.

In the News

The Challenge and Promise of Nanotechnology

Cells. Part of the human body so minute they can’t be seen with the naked eye or even a conventional lab microscope. So what does it take to get inside cells and thwart the processes that change normal cells into cancerous ones? Nanotechnology: the creation of extremely small electronic devices and structures.

Scientists, engineers, and clinicians from across Dartmouth are embracing nanotechnology by joining forces and combining their expertise to create incredibly tiny structures, because their potential for cancer medicine is huge.

Dr. Ursula Gibson, an associate professor of engineering at Thayer with a long-standing interest in nanotechnology, is working with Professor of Chemistry Joseph Belbruno to develop a nanoparticle through molecular imprinting—molding a polymer to fit a molecule present in cancer cells. The result is an artificial antibody designed to attach to an antigen common in tumor cells. “Just being able to make something that attaches to the antigen isn’t enough,” Gibson notes. “It has to be able to make it through the blood stream and penetrate the tumor, so we’re working with people who can include contrast agents in our polymers, and with magnetic resonance imaging (MRI) expertise, so we can watch the particles go through the blood stream. It’s an incredibly challenging project.”

“Nanotechnology will change the future of cancer diagnosis and treatment,” says Dr. Mark Israel, director of Norris Cotton Cancer Center. “In the past ten years, we have learned a tremendous amount about cancer genetics, and the processes that change normal cells to cancerous ones. Using nanotechnology, we can develop tools to attack those processes—and turn the latest discoveries in cancer biology into promising new therapies for cancer patients.”
**Gifts of Cash versus Stock**

How do most people make a charitable gift? Most will mail in a check or go online and use their credit card. For smaller gifts, this certainly makes sense; but larger gifts should prompt donors to consider using appreciated stocks or mutual funds.

**Cash**

Suppose you are making a $10,000 gift to the Transforming Medicine Campaign for Dartmouth Medical School and Dartmouth-Hitchcock Medical Center. If you write a check, you will receive a $10,000 charitable deduction. If you are in a 35% combined state and federal tax bracket and you itemize deductions, you will reduce your taxes by $3,500. Therefore, the net cost of your gift is only $6,500.

**Appreciated Assets**

Now, suppose you donate $10,000 of publicly traded stock you purchased 10 years ago for $2,000. This gift would also save you $3,500 in taxes. In addition, you would avoid paying any capital gain taxes if you were to sell the stock. Remember, if you sold the stock today, you would have an $8,000 capital gain. If you are in a 20% combined state and federal capital gain tax bracket, you would owe $1,600 in taxes.

Even if you want to keep your appreciated stock, you should still consider using it for a gift. You can always use the cash to buy an equal dollar amount of stock. This will reset your stock’s cost basis to today’s values which will save you even more taxes later. The end result will be the same: you will have stock worth $10,000 and $10,000 less cash.

Please contact the Office of Gift Planning to learn more about gifts of stock or any of the other gift planning options available to you. We are always available to meet with you and/or your professional advisors as needed.

### In the News

**DHMC Leads the Way in Transparency**

Scotch tape. Glass. Water. Many things are transparent in our world, but health care isn’t one of them. Most people know more about the car they purchase than the hospital they’ll go to for major surgery. But times are changing and DHMC is leading the way.

When the Institute of Medicine (IOM) issued a report in 2002 challenging hospitals to improve the quality of care and increase “transparency” about their performance, DHMC set three goals to meet the challenge: provide better information to patients to help them make healthcare decisions; increase trust in its role as a charitable nonprofit organization; and stimulate improvement in quality of care.

“DHMC and DMS have a long history of measuring performance in the interest of quality improvement,” says executive vice president Paul Gardent. This practice, based on the work of Dartmouth’s Center for the Evaluative Clinical Sciences (CECS), rests on the principle of informed patient decision-making, empowering patients to take a more active role in their health care. “Given our historic interest, and the call by the IOM,” Gardent continues, “we needed to embrace and become a national leader in transparency.”

A major step in that process came a year and a half ago, when DHMC created a website that gives patients accurate and honest data about the Medical Center’s performance. The site can be reached by going to www.dhmc.org and clicking on “Featured Section: Quality Reports.”

Most recently, charges for services—including office visits, diagnostic tests, and surgical procedures—were added to the site, making DHMC not only one of the first institutions to publish its charges, but one of the few to represent the “full retail price,” including the charge for both hospital and doctor services.
A Word About Taxes

Individual taxpayers who make charitable gifts are generally allowed to claim a charitable deduction for:
- Up to 50% of their adjusted gross income (AGI) for gifts of cash; or
- Up to 30% of their AGI for gifts of appreciated property (i.e., stocks)

If your gifts exceed these limits or if a combination of gifts of cash and appreciated property totals more than 50% of AGI in one year, the excess can be deducted over the next five years if needed. You may also enjoy additional benefits from state income tax savings.

Capital Gain Tax Savings

There are special opportunities when long-term capital gain property is donated. Under the federal income tax law and laws of many states, property that has increased in value and been held for more than one year may be given at full value rather than at its original cost. Long-term, appreciated property that is given also avoids capital gains tax at the time of the gift. This can help you make a larger gift than you thought possible.

Federal Estate Tax

Even after recent tax law changes, your lifetime accumulation of assets may still be subject to federal estate taxes. This depends on the size of your estate and actual tax rates at the time of your death. However, through careful planning, it is still possible to pass all or a significant portion of your property to your heirs free of federal estate taxes.

Congress has structured the tax laws to encourage us to share the assets that make up our estates with charitable organizations and institutions of our choosing. In fact, federal estate tax laws place no limits on the type or amount of property that may be given in this manner.

For more information on the tax advantages of charitable giving to Dartmouth Medical School and Dartmouth-Hitchcock Medical Center, please contact the Office of Gift Planning.

Gladys Amidon: A Lifetime of Giving to DHMC

Growing up on a farm in the Upper Valley, Gladys Amidon was taught the importance of giving back to her community early in her life. “In the ‘teens, my dad used to give to Mary Hitchcock Memorial Hospital,” she remembers with a smile. “We’d bring down vegetables and put them on the lawn when I was little.”

When she married Ward Amidon in 1937, the two started their own tradition of giving by supporting the Hospital for decades with generous financial gifts. When Ward was diagnosed with and treated for leukemia at DHMC, the Amisons decided to focus their giving on cancer research and to include the Medical Center in their estate plans. “It was Ward’s idea. He was a wonderful husband and a good man,” Gladys says.

Now a widow, Gladys has established a Charitable Gift Annuity at DHMC. Not only does she receive a guaranteed income for life, she is continuing her lifelong tradition of supporting DHMC.

We’d like to hear from you...

Virtually every activity we undertake at Dartmouth Medical School and Dartmouth-Hitchcock Medical Center in fulfillment of our mission can be enhanced through philanthropic support. A well-thought-out estate plan helps you provide for your loved ones and gives you the option of supporting people and programs throughout the Dartmouth medical enterprise.

We encourage you to contact the Office of Gift Planning, as you work with your professional advisors to plan a thoughtful and beneficial gift-giving strategy that includes “giving with vision.”

Dartmouth-Hitchcock Medical Center

David Ely, Director of Gift Planning
One Medical Center Drive
Lebanon, NH 03756
Call toll-free: (866)272-1955
Email: gift.planning@hitchcock.org
Web site: www.dhmc.org/dept/dev

The information in this publication is not intended as legal advice. For legal advice, please consult an attorney. Figures cited in examples are based on current rates at the time of printing and are subject to change. Reference to estate and income tax include federal taxes only; individual state taxes may further impact results.