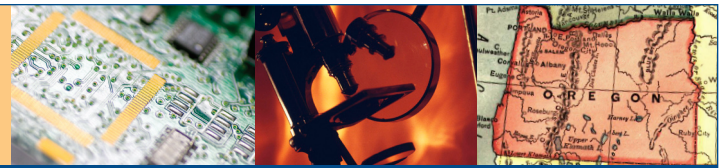


# FREQUENTLY ASKED QUESTIONS

## University Venture Development Fund for Oregon



*Please note: this document is intended as a general guide. It will be modified by each institution to fit their particular program needs. Donors interested in participating in this exciting initiative should consult with a professional tax advisor and the institution of their choice for additional information.*

### 1. What is Oregon's University Venture Development Fund?

In 2005 the Oregon State Legislature passed an innovative bill that provides an unprecedented tax incentive for donors who choose to support commercialization of promising university discoveries and campus-based entrepreneurial education by contributing to university venture development funds at the seven Oregon University System (OUS) campuses and Oregon Health & Science University (OHSU). This legislation, finalized in 2007 with passage of SB 582, ensures that new and nascent technologies emerging from university laboratories will have a better chance than ever to become commercially viable.

The idea is simple: Support Oregon's research, entrepreneurial education, and technology transfer initiatives, and provide opportunities for students to gain experience in applying research to commercial activities. The university venture development funds will help transform today's research and development into tomorrow's businesses.

### 2. Why support a university venture development fund?

Supporting our universities through gifts to these venture development funds is a way to build vibrant Oregon communities, grow the economy, improve education, and achieve a better future for all Oregonians. You will also receive the satisfaction of knowing that you have stretched your charitable dollars through the Oregon State tax credit (specifically for venture fund donors) and the federal charitable tax deduction for which you may also be eligible.

### 3. How does the tax credit program work?

The legislature has authorized state-supported universities to receive a total of \$14 million in tax credit eligible donations for university venture development funds. Within the OUS, each university's share of this total is based on the size of its research enterprise. Tax credit certificates will be issued on a first-come, first-served basis with this initial allocation. So act now, while all the benefits of the program are still available!

Allocation of private funds raised by each Institution that will be eligible for this state tax credit incentive:

- OSU \$5.35 million
- UO \$3.27 million
- PSU \$880,000
- OIT, WOU, SOU, EOU: \$500,000 (total)
- OHSU \$4 million

#### 4. What is a tax credit?

Unlike a tax deduction that only reduces the amount of your taxable income, a tax credit reduces the amount of tax you owe. In other words, your gift to the University Venture Development Fund program will reduce your Oregon income tax bill. It's a win-win situation. However, please note that only individuals and corporations that pay Oregon income tax are eligible for this tax credit.

#### 5. How much of a tax credit am I eligible for?

You are eligible for an Oregon income tax credit equal to 60 percent of your donation. The credit you can claim in any one year cannot exceed 20 percent of your total contribution to the fund, \$50,000, or your tax liability, whichever is less. The unused portion of the credit may be carried forward to subsequent years until it is used.

The chart below illustrates a couple of examples:

	GIFT	TOTAL CREDIT (60% of gift)	YEARLY CREDIT (not to exceed 20% of gift or tax liability)
Donor 1	\$20,000	\$12,000	\$4,000
Donor 2	\$85,000	\$51,000	\$17,000
Donor 3	\$1,000,000	\$600,000	\$50,000

These are only examples. To be sure you maximize the benefits of this program and meet your philanthropic goals, please consult your tax advisor for more information.

#### 6. Is my gift to the University Venture Development Fund still eligible for a Federal Charitable Deduction?

In most cases — yes. Please talk with your tax advisor for more specific information.

#### 7. How do I claim my tax credit?

Claiming your tax credit is easy. When you make your gift to a participating institution, you will also include an application for a Tax Credit Certificate. The university will review your application and if approved, issue a Tax Credit Certificate confirming that your gift is eligible for the tax credit.

You will then use your Tax Credit Certificate when you file your Oregon tax return. Your tax advisor can help you determine how this tax credit will affect your state and federal tax liability.

**8. Is there a time line for receiving this tax credit?**

Yes. The tax credit certificates will be issued in chronological order based upon the date a completed application is received at the participating institution. Once the institution has distributed its initial allocation of tax credit certificates under this program, it will not be able to issue additional tax credit certificates. The sooner that you participate in this program the more likely that you will qualify for the tax credit benefit. Please see Question 15 below for additional information on the possibility of new tax credits being issued in the future.

**9. May I direct how my contribution is used by the university that I choose?**

No. Each participating institution has put in place programs that will receive funds from its own University Venture Development Fund. For more information about specific University Venture Development programs, please contact the institution.

**10. What if I prefer to give to the Oregon University System (OUS) rather than a university?**

The law does not authorize the creation of an OUS venture development fund. However, you can support the overall effort by making contributions to each university according to its share of the fundraising allocation. Please see the chart below.

INSTITUTION	FUNDRAISING ALLOCATION	PERCENTAGE
OSU	\$5.35m	53%
UO	\$3.27	32%
PSU	\$0.88	8%
WOU, SOU, EOU, OIT	\$0.50	5%

Note: The law treats the OHSU venture development fund separately from OUS. OHSU is therefore not included in this chart. Its fundraising allocation is \$4 million.

**11. If I do not pay Oregon income tax, can I still give to a University Venture Development Fund?**

Yes! You do not have to pay Oregon income tax to contribute to a University Venture Development Fund. Though you are not eligible for the state income tax credit, you may be eligible for the federal charitable gift deduction. Please consult your tax advisor for additional information.

## **12. Is this program only for individuals, or can companies participate?**

Both individuals and corporations may contribute and receive tax credits through this program.

## **13. I am ready to make my gift, what do I do?**

Please contact the participating university of your choice for assistance. Current participants include Oregon State University, the University of Oregon, Portland State University, and the Oregon Health & Science University.

Eastern Oregon University, Oregon Institute of Technology, Southern Oregon University, and Western Oregon University are also eligible to participate. Please check directly with them to see if they have established a university venture development fund prior to making your donation.

Contact information for each of institutions is listed at the end of this FAQ.

## **14. What assets can I use to make my gift?**

Gifts of cash and stock are preferable. Please see notes below for more information. For all other types of assets, please work directly with your chosen institution.

**Gifts of Stock:** You may make a gift of cash or stock to the University Venture Development Fund at the institution of your choice. If you give stock, please be sure that your application form for the Tax Credit Certificate is included with your transaction. You will receive your Tax Credit Certificate when your application has been approved and the stock has been converted to cash and deposited into the University Venture Development Fund.

**Gifts made from your IRA:** You should have your IRA administrator or trustee indicate on your gift that the donation is for the University Venture Development Fund at the institution that you have chosen. You will also need to make sure that you have submitted your Tax Credit Certificate application to the institution at the same time, in order to be eligible for the tax credit.

## **15. Will there be any new tax credits issued for this program?**

The 2007 legislature amended the law to allow for an evergreen provision (SB582). As participating institutions begin receiving revenue from the program and pay back the state income tax credits that have been claimed, they will be eligible to issue new tax credit certificates in that amount to donors. This again is a win-win situation. However we may not see revenues returning back to the institution from this program for a few years and therefore it may be some time before participating institutions can issue additional tax credit certificates.

## 16. Where can I get more information?

### **Eastern Oregon University**

541 962-3740

[www.eou.edu/foundation](http://www.eou.edu/foundation)

### **Oregon Health & Science University**

503 228-1730

[www.ohsufoundation.org](http://www.ohsufoundation.org)

### **Oregon Institute of Technology**

541 885-1136

[www.oit.edu](http://www.oit.edu)

### **Oregon State University**

541 737-4218

[www.osufoundation.org](http://www.osufoundation.org)

### **Portland State University**

503 725-8798

[www.pdx.edu/giving](http://www.pdx.edu/giving)

### **Southern Oregon University**

541 552-6127

[www.soufoundation.org](http://www.soufoundation.org)

### **University of Oregon**

503 412-0468

[www.uoventurefund.uoregon.edu](http://www.uoventurefund.uoregon.edu)

### **Western Oregon University**

503 838-8282

[www.wou.edu](http://www.wou.edu)

If you wish to donate to more than one university, contact Charles Triplett in the OUS Chancellor's office, (503) 725-5717. More information is available at [www.ous.edu/venturefund](http://www.ous.edu/venturefund).