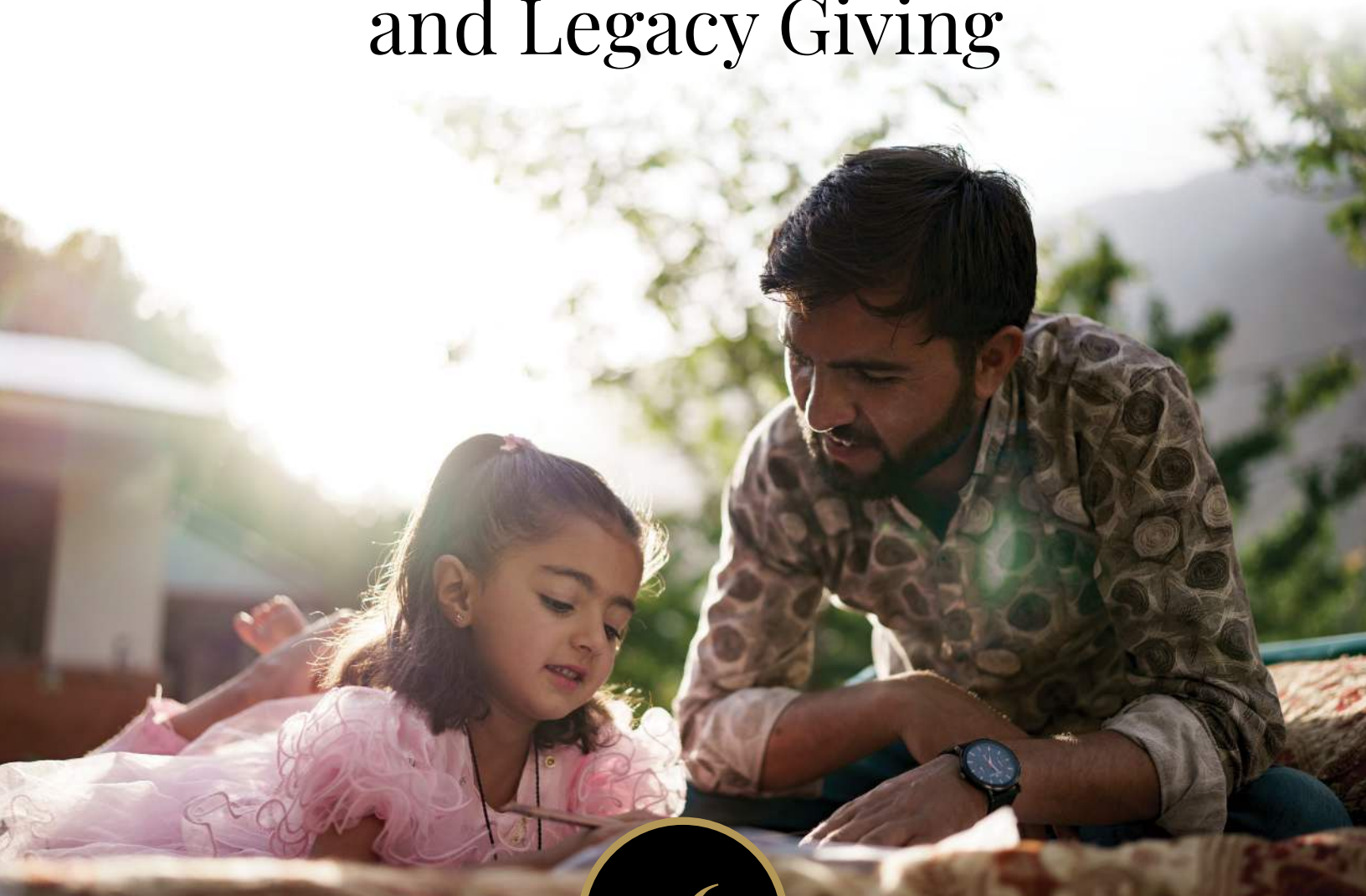




AGA KHAN FOUNDATION  
UNITED STATES OF AMERICA

# Becoming a Light for Future Generations: Your Guide to Planned and Legacy Giving



1967  
SOCIETY

1967 LEGACY SOCIETY OF THE AGA KHAN FOUNDATION

“If our animosities are born out of fear, then confident generosity is born out of hope. One of the central lessons I have learned...is that the replacement of fear by hope is probably the single most powerful trampoline of progress.

Even in the poorest and most isolated communities, we have found that decades, if not centuries, of angry conflict can be turned around...by giving them reasons to hope. And when hope takes root, then a new level of tolerance is possible, though it may have been unknown for years and years and years.”

**HIS LATE HIGHNESS THE AGA KHAN IV**  
ADDRESS TO THE TUTZING EVANGELICAL ACADEMY  
UPON RECEIVING THE “TOLERANCE” AWARD IN  
TUTZING, GERMANY, MAY 20, 2006

AKF USA's Planned and Legacy Giving (PLG) program helps build Aga Khan Development Network (AKDN) institutional capacity through endowments. Through the generosity of past, present, and future legacy donors, the financial returns from these endowments, sustained in perpetuity, provide a reliable income stream to support the needs into the future.



Dear friends,

We are pleased to provide you with a copy of a Guide to Planned and Legacy Giving. This guide on charitable gift planning is intended to inform and support your decisions to make charitable gifts in the context of a broader estate planning process.

Over your lifetime, your hard work has allowed you to build financial security and define your legacy. Perhaps like most people, you may not have considered how the assets accumulated over a lifetime will ultimately be shared and distributed. This guide will help you navigate the multiple options available to you in making an impactful legacy for you and your family.

Leaving a legacy means different things to people. It could involve promoting family happiness and unity; passing on spiritual and ethical values; helping future generations live well; fairly distributing wealth; and making the world a better place. These aspirations are not mutually exclusive and can collectively form one's enduring impact.

Through proper planning, the legacy of love and care that you leave for your family and others can be an inspiring and motivational force. Charitable giving has become an important tool in estate planning. Aga Khan Foundation (AKF) USA's Planned and Legacy Giving (PLG) program offers multiple ways to realize charitable intentions and contribute to improving the quality-of-life for decades into the future.

Through a planned gift to AKF USA you can help minimize the taxes you pay (in your lifetime and through your estate) while ensuring a lasting impact by helping millions of people around the world. The information in this booklet provides strategies that you and your advisors can use to provide simple, smart, and meaningful ways to leave a legacy for your family and the causes you believe in.

Your planned gift will become part of the story of generational change: A future where all people thrive together. We count on your support so that we may continue building strong institutions to support people globally.

With gratitude,

**AGA KHAN FOUNDATION USA**



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## INSPIRATION IN ACTION

Read these stories to learn more about the work of the Aga Khan Foundation, one of the agencies whose work is supported by the PLG program.



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## DISCLOSURE ON ATTORNEYS AND FINANCIAL ADVISORS AND AGA KHAN FOUNDATION USA

Every person's estate plan is unique to them and their family. The Planned and Legacy Giving (PLG) staff at AKF USA will work with you to help facilitate your gifting intentions. However, we are unable to offer any specific legal or financial advice on your personal situation. Your personal legal and financial advisors are best suited to help develop your estate plan and should be contacted independently from AKF USA. Working with your attorney and financial advisor will help you develop a personalized estate plan to best fulfill your intentions and wishes.



## Planning Your Legacy

AKF USA's Planned and Legacy Giving (PLG) program serves families by promoting multigenerational and ethical wealth transfer and thoughtful charitable planning. Through intelligent planning and communicating your intentions to your family and the PLG office, you create a legacy that will be a light for future generations.

By focusing on gifts of assets shared after your lifetime, rather than immediate gifts of cash, you can support your family's financial stability while making a significant legacy gift. All legacy gifts received through the PLG program are invested in endowment funds to support the work of Imamat Institutions for decades into the future.

[Read more about the importance of endowments on page 20.](#)

# Four Steps to an Estate Plan

## 1 Make a list of your goals and priorities

Gather information about you and your family, along with the assets you own. Set goals for how you would like your assets and wealth distributed among family and loved ones. You can use our Estate Planning Toolkit by visiting [www.akfusa.org/plg/guide](http://www.akfusa.org/plg/guide).

## 2 Speak with an estate planner or attorney

Seek the advice of a certified or accredited professional (estate planning attorney, tax advisor, or financial planner). Discuss with them your intention to leave a charitable gift to AKF USA or any other charity of your choice. An estate planning attorney can help you prepare any necessary legal documents for your estate plan.

## 3 Plan for change

As your life, work, and family evolves, your financial needs might also change. Be prepared to revisit your estate plan any time a significant life change occurs. Remember that laws affecting taxes and the transfer of estate property can also change, so make sure you understand how these changes might impact your family's estate and financial planning.

## 4 Share your plan and complete the Letter of Intent

Share your plan with your family and notify planned beneficiaries, including AKF USA. Fill out a Letter of Intent (LOI), a non-legally binding and revocable record that allows you to articulate your values and share the story behind your motivation to support AKDN, while providing your family with a clear record of your intention to give a legacy gift to AKF USA. An LOI also enables AKF's Board to plan its long-term programs based on projections of legacy gifts. And, once you complete an LOI, you will be invited to join the 1967 Legacy Society (see more on [page 18](#)). This guide includes a copy of an LOI that you may complete and return to AKF USA. You may also submit an LOI online at [www.akfusa.org/plg/guide](http://www.akfusa.org/plg/guide).

### Inspiration in Action: An Investment in the Future Pays Dividends: Over 40 Years of the Madrasa Early Childhood Development Program

“...Evidence accumulates steadily showing that an investment made in the earliest, pre-school years can bring enormous dividends as a child proceeds from one level of education to another.

And we know that the story must go on. The dream will continue to unfold. And the work which all of you have been doing will continue to resonate in the thousands of lives you have touched and shaped—and in the lives of their children and grandchildren.”

**HIS LATE HIGHNESS THE AGA KHAN IV**

COMMEMORATION OF THE 25<sup>TH</sup> ANNIVERSARY OF THE MADRASA PROGRAM, MOMBASA, AUGUST 14, 2007

# Estate Planning Documents



## **WILL OR TESTAMENT**

Your will is a written statement that indicates who will receive your personal property. In most states, your will must be signed and witnessed by two individuals. In some states your will must also be notarized. The probate court in your state uses your will to appoint the designated executor to legally distribute your assets and property to the intended beneficiaries. If you have children under age 18, your will can stipulate who their legal guardian will be.



## **HEALTH CARE DIRECTIVES**

Sometimes referred to as an advance directive, your health care directive consists of a durable power of attorney for health care, or a person you authorize to make health care decisions for you, and a living will, which outlines what medical directions you would like taken should you become incapacitated or seriously ill.



## **DURABLE POWER OF ATTORNEY FOR FINANCES**

While you are generally able to manage your own finances and property while in good health, there may come a time when you are unable to do so. A durable power of attorney protects you and your property by appointing someone to make financial decisions for you should you become disabled or incapacitated.

The Madrasa Early Childhood Development Program (MECP), started in Mombasa, Kenya, celebrated its 40<sup>th</sup> Anniversary in 2024. As a second generation of graduates comes into adulthood, the number of doctors, teachers, and leaders with roots in the program who are giving back to their communities grows.

RIGHT: Mwinyi Mohamed, a MECP alum, with his teacher Bahati Suleiman.





# At a Glance: Ways to Make a Legacy Gift



## Bequests in Will or Trust

### Ideal For

All supporters of AKF USA who wish to continue to support the work of the institution they care about.

### What's the Benefit?

Donor's estate will receive an income tax receipt to offset any taxes owed at death.

### How to do it?

Include a gift to AKF USA in your will or trust, indicating a specific amount or a net residual percentage of the estate after your family is provided for.

[LEARN MORE ON PAGE 8](#)



## Deferred Gift of Life Insurance

### Ideal For

Donors who are in good health and who wish to make a significant donation in the future.

Donors who are in good financial standing and have the desire to receive charitable tax deductions.

Donors who want to make a sizeable gift after their lifetime with modest contributions during their lifetime.

### What's the Benefit?

Receive income tax receipts for ongoing premiums paid after ownership of the policy is transferred to AKF USA.

Eligibility for a tax receipt for fair market value of policy.

Assurance that a sizable gift will be made in the future while enjoying income tax receipt today.

### How to do it?

Transfer ownership of an existing life insurance policy to AKF USA.

Purchase a new life insurance policy and transfer ownership to AKF USA.

Because these life insurance policies are going to become an asset owned by AKF USA, all donors must coordinate with AKF USA prior to a deferred gift.

Donors are expected to support the policy after ownership transfer.

[LEARN MORE ON PAGE 10](#)



## Other Gifts of Life Insurance

### Ideal For

Donors who own life insurance policies they no longer need. These policies can be paid-up or still have premiums to be paid.

Donors whose other investments are sufficient to provide for their families.

### What's the Benefit?

The insured's estate will receive an income tax receipt of proceeds from the policy to offset any taxes owed at death.

### How to do it?

Designate AKF USA as the beneficiary of an existing life insurance policy while retaining ownership.

Bequeath through a will or trust the proceeds of a life insurance policy to AKF USA.

[LEARN MORE ON PAGE 10](#)





## Retirement Plans Beneficiary Designations

### Ideal For

Donors without dependents or those whose dependents are otherwise fully financially secure.

### What's the Benefit?

Donor's estate will receive an income tax receipt to offset any taxes owed at death.

### How to do it?

Contact your plan administrator and designate AKF USA as the beneficiary of your IRA, 401k, 403b, or other qualified retirement plan.

[LEARN MORE ON PAGE 12](#)



## Charitable IRA Rollover

### Ideal For

Donors who are 70-1/2 or older and stipulated by law to meet the minimum required distribution, and do not need the taxable income from this source.

### What's the Benefit?

Donor receives a tax receipt for the Qualified Charitable Distribution (QCD), for the applicable tax year to offset taxes payable.

In 2025, the maximum eligible contribution is \$108,000, an amount indexed to inflation. Donor's aged 73 or older will comply with the yearly required minimum distribution (RMD).

### How to do it?

Name AKF USA as the beneficiary of the required minimum distribution from your IRA.

[LEARN MORE ON PAGE 14](#)



## Gifts of Appreciated Securities

### Ideal For

Donors who own public or private securities that have significantly increased in value over time. This mode of contribution can be used for current giving to AKF USA as well as through a bequest as part of estate planning.

### What's the Benefit?

Donor can eliminate any capital gains tax and receive an income tax receipt based on the appreciated fair market value of the securities received.

Securities can be electronically transferred from your brokerage account directly into AKF USA's account.

### How to do it?

AKF USA provides instructions on how to easily transfer securities.

[LEARN MORE ON PAGE 15](#)



## Donor Advised Funds

### Ideal For

Donors who wish to make a tax advantageous investment in charitable work but want to defer choosing their charities while their money remains invested tax-free within the options offered by the fund.

### What's the Benefit?

Donor can reduce tax burden immediately and make decisions on charitable giving at a later time.

### How to do it?

Open a DAF account at a sponsoring institution and transfer your assets or cash into the fund. Designate AKF USA as an ongoing and/or successor beneficiary.

[LEARN MORE ON PAGE 16](#)



# Bequests in Will or Trust

## **WHAT ARE BEQUESTS IN A WILL OR TRUST?**

A bequest is a charitable provision in an individual's will or trust directing the transfer of an asset to AKF USA at the time of one's passing.

Leaving a bequest is by far the most common legacy gift in the United States. Bequests generally are comprised of assets (e.g., property, stocks, etc.) or a specific amount of money. You can leave a fixed amount of money (e.g., \$50,000) or a percentage of your estate (e.g., 10% of the residual estate) after your family has been provided for.

AKF USA will work with your executor or trustee to liquidate your gift of assets in consultation with financial, real estate, and legal professionals to maximize the value of the assets bequeathed.

## **BEQUESTS ARE IDEAL LEGACY GIFTS FOR:**

Longtime supporters of AKF USA who wish to continue supporting the work of the Foundation into the future. These donors make a sizeable contribution without affecting their current income or financial security during their lifetime.

## **THE BENEFITS OF LEAVING A BEQUEST TO AKF USA**

- You retain ownership and use of your assets during your lifetime.
- Your gift can be made for any amount that fulfills your charitable intentions.
- Your estate receives an official charitable tax receipt for the full value of the bequest.
- You can adjust the provisions in your will or trust at any time to meet your needs during your lifetime.

## **HOW TO LEAVE A BEQUEST TO AKF USA**

Leaving a charitable bequest in either a will or a trust is an easy, straightforward process. After consulting with your family and discussing your decision with your legal and financial advisors—including any tax implications and benefits—determine what you would like to leave to AKF USA. Then, simply have your advisors include a provision in your will or trust that will direct the transfer of the bequest to the Foundation.

## DIFFERENT TYPES OF BEQUESTS

**Residual Bequest:** a bequest expressed as a percentage of the residual estate or the remainder after your family has been provided for and all debts and taxes have been accounted for.

**Sample Language:** *"I give \_\_\_\_ percent of the residue of my estate to Aga Khan Foundation USA (Internal Revenue Service EIN number 52-1231983) ("AKF USA") for the purpose of supporting the highest priority needs as determined by AKF USA.*

**Fixed Bequest:** a bequest expressed as either a specific amount of cash, or the liquidation of assets valued at a specific sum.

**Sample Language:** *"I give \$\_\_\_\_ (USD) to Aga Khan Foundation USA (Internal Revenue Service EIN Number 52-1231983) ("AKF USA") for the purpose of supporting the highest priority needs as determined by AKF USA.*

**Specific Bequest:** a bequest that transfers a specific asset, such as property or a bank account.

**Sample Language:** *"I give to Aga Khan Foundation USA (Internal Revenue Service EIN Number 52-1231983) ("AKF USA") property located at (address of property) for the purpose of supporting the highest priority needs as determined by AKF USA.*

**Contingency Bequest:** a bequest that is transferred only after a certain condition is met. Most contingent bequests are distributed after a spouse passes.

**Sample Language:** *"In the event that (insert name) predeceases me, I give his/her bequest or share to Aga Khan Foundation USA (Internal Revenue Service EIN Number 52-1231983) ("AKF USA") for the purpose of supporting the highest priority needs as determined by the Foundation."*





# Gifts of Life Insurance

## **WHAT ARE GIFTS OF LIFE INSURANCE?**

Transferring ownership of a life insurance policy to AKF USA and financially supporting the policy until it meets its guaranteed status.

Life insurance is an ideal means for a substantial gift. Giving through life insurance enables a donor to make a meaningful contribution without financially burdening the family, and without depleting any savings or net estate. The cost of the gift is relatively low compared to the resulting benefit. Gifts of life insurance are generally tax deductible and can provide a substantial benefit to a donor's overall estate plan.

## **GIFTS OF LIFE INSURANCE ARE IDEAL LEGACY GIFTS FOR:**

- Donors who have existing insurance coverage to protect their own family and wish to purchase a new policy to benefit AKF USA from its proceeds.
- Donors who own life insurance policies that are no longer required. These policies can be paid-up or still have premiums to be paid.
- Donors whose other investments are sufficient to provide for their families.
- Donors who are in good financial standing and want to receive charitable tax deductions.
- Donors who want to make a sizeable gift after their lifetime.
- Donors who are in good health.

## **THE BENEFITS OF MAKING A GIFT OF LIFE INSURANCE**

- Upon gifting a new or existing life insurance policy to the Foundation, you are eligible to receive an immediate charitable income tax deduction, reducing your taxable income.
- Premiums are deductible making the cost of the gift affordable during your lifetime.
- If you choose to participate in AKF USA's Deferred Giving program, you will have minimal administrative obligations.
- Insurance policies are typically separate from your estate, so the value/number of assets provided to your family are not reduced by gifting a policy to AKF.
- Once the policy fully matures, proceeds are received by AKF USA, free of federal income and estate taxes, probate, and administrative costs without any delay, fees, or transfer costs.
- Certain gifts of life insurance (e.g., ones owned by the insured) are revocable.

## HOW TO GIVE A GIFT OF LIFE INSURANCE

- Purchase and transfer ownership and beneficiary of a new policy to AKF USA (Deferred Giving).
- Transfer ownership of an existing life insurance policy to AKF USA (Deferred Giving).
- Make a bequest in the will (usually irrevocable) to pass the proceeds of a life insurance policy to AKF USA.
- Designate AKF USA as the beneficiary of an existing policy (donor retains ownership).

## DIFFERENT TYPES OF LIFE INSURANCE GIFTS

**Give an outright gift of a new policy (Deferred Giving):** you can purchase a new policy on your life and irrevocably name AKF USA as owner and beneficiary. Once the policy has been gifted to the Foundation, you will support the policy until it is paid up by making tax-deductible donations to the Foundation, typically over 7 to 10 years, which in turn will pay these amounts as premiums to the insurance company.

**Give an outright gift of an existing policy (Deferred Giving):** you can designate the Foundation as the beneficiary and transfer ownership of an existing policy to AKF USA. Upon a successful transfer of ownership, you will qualify for a charitable tax deduction based on the current cash value of the policy. If the policy premiums have not fully been paid at the time of transfer, you will continue to support the policy through tax-deductible contributions until the policy's death benefit is secured. Please contact your life insurance agent or the AKF USA PLG office to obtain more details.

**Gift a life insurance policy through a bequest in your will:** if you wish to retain ownership of your life insurance policy during your lifetime, you can leave a life insurance policy (as an asset) to the Foundation through a charitable bequest in your will.

**Designate AKF USA as a beneficiary of the policy:** if you wish to retain ownership of your life insurance policy but still wish to support our work, you can simply name the Foundation the sole or even partial beneficiary of the policy by updating your beneficiary designation with your insurance company. The designation is revocable as the donor retains the right to change the beneficiary at any time. After making AKF USA a beneficiary, you must specify a percentage or a specific amount of the death benefit that will be received by the Foundation after your passing. The value of the proceeds from the policy will enable your estate to receive a charitable tax receipt.

A Note on Beneficiary Designations: Typically, beneficiary designations are made with your life insurance policy provider. You may also have a will that refers to life insurance policies if you are using life insurance as part of your estate plan. Please ensure consistent designation of beneficiaries across all of your estate planning documents.



# Beneficiary Designations in Retirement Plans

## **WHAT ARE BENEFICIARY DESIGNATIONS IN RETIREMENT PLANS?**

A clause naming the beneficiaries of a qualified retirement plan.

Naming AKF USA as the beneficiary of a retirement plan such as an individual retirement account (IRA), 401(k), 403(b), or other qualifying retirement plan is a great way to fully utilize your retirement assets and fulfill your charitable intentions.

You can designate AKF USA as the sole beneficiary or state a specific amount or percentage of the plan to be received by the Foundation if you intend to name multiple beneficiaries.

## **BENEFICIARY DESIGNATIONS ARE IDEAL LEGACY GIFTS FOR:**

- Donors who are working or retired professionals who have contributed to an eligible retirement account throughout their professional career and feel that their financial circumstances enable them to use their retirement plans in a charitable way.
- Donors without dependents or donors whose dependents are otherwise financially secure.
- Donors who wish to reduce taxes on all or some of their retirement distributions.

## **THE BENEFITS OF LEAVING A BEQUEST TO AKF USA**

- The income you have contributed to your retirement plan accounts is generally not taxed before distribution. Once you decide to withdraw from your plan, the withdrawals will be taxed. By designating AKF USA as the beneficiary, your retirement assets are eligible to be exempt from taxation.
- You maintain ownership and control of your retirement account.
- You can continue making withdrawals throughout your lifetime.
- This provides an opportunity to create an efficient estate plan that maximizes the potential of your assets.
- It also enables you to give less heavily taxed assets to your heirs while fulfilling your charitable intentions.
- If your family or financial circumstances change, your designation can be changed at any time.

## **HOW TO DESIGNATE AKF USA AS A BENEFICIARY**

Contact your retirement plan administrator and update your beneficiary designations to include the Aga Khan Foundation USA.



## DIFFERENT TYPES OF BENEFICIARY DESIGNATIONS

**Sole Primary Beneficiary:** a clause designating AKF USA as the first and only beneficiary of your retirement plan.

**Sample Language:** *"I designate Aga Khan Foundation USA (Internal Revenue EIN Number 52-1231983) as the sole beneficiary of my retirement plan, receiving 100% of the distribution."*

**Partial Primary Beneficiary:** a clause designating AKF USA as one of the first beneficiaries of your retirement plan.

**Sample Language:** *"I designate Aga Khan Foundation USA (Internal Revenue EIN Number 52-1231983) as a partial beneficiary of my retirement plan, receiving 50% of the distribution, with the other 50% going to my other primary beneficiary."*

**Contingency Beneficiary:** a clause designating AKF USA as a beneficiary if the primary beneficiary cannot receive the benefit.

**Sample Language:** *"In the event that my primary beneficiary is unable to receive the benefit, I designate Aga Khan Foundation USA (Internal Revenue EIN Number 52-1231983) to receive the benefit in its entirety."*

## Inspiration in Action: A Woman Entrepreneur Pays it Forward in Pakistan



“... Women’s participation in society is vital to ensure an improved quality of life. From education to health, participation in local governance to leadership in business, we have witnessed the potential for women and men to work alongside each other, while respecting the ethics of Islam, to build their communities.”

**HIS LATE HIGHNESS THE AGA KHAN IV**

LONDON CONFERENCE ON AFGHANISTAN, LONDON, UNITED KINGDOM, DECEMBER 4, 2014

Maryam Batool Ainee is a seasoned woman entrepreneur in the Baltistan region of Pakistan with two decades of experience. She is on a mission to empower widowed, orphaned, and underprivileged women in the area. Maryam manages a photo studio, beauty salon, and the Gul Khatoon clothing brand, blending traditional and contemporary fashion with local embroidery. Her vision extends globally as she aspires to take her services to an international level. Committed to uplifting her community, Maryam also provides training in fashion design and beautician skills to young women in Baltistan, fostering independence and opportunities.



# IRA Charitable Rollover

## **WHAT IS AN IRA CHARITABLE ROLLOVER?**

A special provision for qualifying individuals to designate a charity as the recipient of their minimum required distribution, providing a tax deduction instead of paying income taxes.

The Internal Revenue Service (IRS) requires anyone who has reached the age of 73 years, and who has a tax-deferred retirement account, such as an Individual Retirement Account (IRA), to annually withdraw a minimum amount from these accounts. The amount, referred to as the Required Minimum Distribution (RMD), is calculated based on the balance of the retirement account at the end of the previous calendar year and life expectancy. This distribution is taxable by the IRS. However, making a charitable gift to AKF USA will potentially reduce the tax burden of the RMD.

IRAs also have a special provision, referred to either as a charitable rollover, or a Qualified Charitable Distribution (QCD), where the withdrawal, or distribution, is sent directly to AKF USA (or another charity), which removes the tax liability from this withdrawal.

## **IRA CHARITABLE ROLLOVERS ARE IDEAL LEGACY GIFTS WHEN:**

- The IRA account holder is at least 70 ½ years of age.
- The transfer or distribution is direct from an IRA account to AKF USA.
- The transfer or distribution is completed during the applicable tax year.
- The total of the gift does not exceed \$108,000 in 2025 (an amount which is indexed to inflation).

## **THE BENEFITS OF ROLLING OVER YOUR IRA DISTRIBUTION TO AKF USA**

- You maintain ownership and control of your retirement account.
- You can continue making withdrawals throughout your lifetime.
- You can receive a tax exemption of up to \$108,000 in 2025 (an amount which is indexed to inflation).
- If your family or financial circumstances change, your designation can be changed at any time.

## **HOW TO ROLL OVER YOUR IRA TO AKF USA**

You can speak with your plan administrator to update your distribution designation to Aga Khan Foundation USA. To qualify for the tax exemption, the distribution must be directly transferred from your IRA to AKF USA.



# Gifts of Appreciated Securities

## **WHAT ARE GIFTS OF APPRECIATED SECURITIES?**

An asset that has gained value after at least one year of ownership.

A gift of appreciated public or privately held securities (i.e., stocks, bonds, and/or mutual funds that have realized appreciation over time) is one of the most tax-efficient ways to support AKF USA during your lifetime.

## **GIFTS OF APPRECIATED SECURITIES ARE IDEAL LEGACY GIFTS FOR DONORS WHO:**

Own public or privately held securities that have significantly increased in value over time.

## **THE BENEFITS OF GIFTING APPRECIATED SECURITIES TO AKF USA**

This method of giving has become increasingly popular in recent years because of two key advantages:

- Any appreciated securities with unrealized gains (meaning they have a current value greater than their original cost) may be donated to a public charity and a tax deduction may be taken for the full fair market value of the securities—up to 30% of the donor's adjusted gross income.
- Since the securities are donated rather than sold, capital gains taxes from selling the securities no longer apply. The more appreciation the securities have, the greater the tax savings will be.

## **HOW TO DONATE APPRECIATED SECURITIES TO AKF USA**

Appreciated securities with significant value can be electronically transferred from your brokerage account directly to AKF USA's account. Reach out to [donorservices.akfusa@akdn.org](mailto:donorservices.akfusa@akdn.org) for instructions on how to easily transfer securities to AKF USA. For gifts of appreciated private company securities, please contact your financial advisor and the PLG Program team for details.





# Donor Advised Funds

## **WHAT ARE DONOR ADVISED FUNDS?**

Personal charity investment accounts in which contributing donors receive tax receipts. Investments grow tax-free and support charitable organizations according to specific donor wishes.

Donor Advised Funds (DAFs) are irrevocable tax-efficient giving vehicles, offering many of the same benefits as private foundations while being easy to set up and maintain. AKF USA does not manage or hold donor advised funds and does not accept donations on behalf of other charities. A donor can, however, recommend that the funds within a donor advised fund be given to AKF USA in the form of a grant.

## **DONOR ADVISED FUNDS ARE IDEAL LEGACY GIFTS FOR DONORS WHO:**

Want to make a tax-beneficial charitable donation now but prefer to decide which charities to support later, while their money grows tax-free within the fund's investment options.

## **THE BENEFITS OF DONOR ADVISED FUNDS**

This method of giving has become increasingly popular in recent years because of the following key advantages:

- Donors may choose one of several available financial institutions or community foundations to establish, or “sponsor” their DAF. AKF USA does not recommend any specific institution for this purpose.
- Donors will be asked to advise in four areas: how the money is invested within the options offered by the fund; which charities will receive grants from the fund (e.g. AKF USA); how much and when will it be given to the charity, and who will make these decisions instead of, or as a successor to, you.
- Donors receive tax-deduction today; decide on the grants to charities later. Donors receive an immediate tax deduction for the full market value of most assets. Assets may include cash, securities, or other marketable assets. Any unused charitable donations can be carried forward for up to five years and claimed in a future year, subject to the annual limit for that year.
- Donors may choose the name of the account and successors, and define the beneficiary of the DAF, including AKF USA.
- Since DAF contributions and their earnings within the account are irrevocable—they cannot be withdrawn or returned to the donor—the donor may choose to appoint a successor (typically a family member) to manage the funds (including their grant allocation) upon his/her passing.
- The donor can designate a charity like AKF USA as the successor beneficiary of the remaining DAF balance upon passing. Since a charitable receipt has already been issued, only an eligible registered charity, such as AKF USA, can receive these funds.

## HOW TO ESTABLISH A DONOR ADVISED FUND AND NAME AKF USA ITS BENEFICIARY

A DAF is an IRS-approved granting structure, offered via various financial and community foundations. Please confirm that the offering institution is a registered charity on the IRS website: [www.irs.gov/charities-non-profits/tax-exempt-organization-search](https://www.irs.gov/charities-non-profits/tax-exempt-organization-search)

When opening a new DAF account, please nominate a successor beneficiary to ensure that the fund is appropriately allocated following your passing. You may also designate AKF USA as the successor beneficiary so that all remaining funds in the DAF account are utilized by AKF USA and fund the Planned and Legacy Giving priorities at the time of the transfer.

## Inspiration in Action: Ensuring a Bright Future with Sustainable Power



“Climate change is altering the relationship between humanity and the environment. Advances in artificial intelligence are opening new horizons in the interface between humanity and technology. Globalisation is transforming relations between countries and communities as knowledge flows ever faster around the world. Your education has prepared you to address these challenges. ...And above all, you have learned that challenges are not to be feared but to be embraced.”

**HIS LATE HIGHNESS THE AGA KHAN IV, CHANCELLOR, UNIVERSITY OF CENTRAL ASIA**  
MESSAGE TO THE CLASS OF 2023, SCHOOL OF ARTS AND SCIENCES, JUNE 16, 2023

Due to climate change, farmers in the Bergan area of Salamieh, Syria face water scarcity. Issam Zainou now uses a solar-powered pump for irrigation due to rising costs and pollution from diesel generators. The Aga Khan Foundation helps farmers like Issam by installing solar pumps as a sustainable solution.



**1967 LEGACY SOCIETY  
OF THE AGA KHAN FOUNDATION**

## A Beacon of Hope

A planned gift to the Aga Khan Foundation is an extraordinary way to express your commitment to building a future where we all thrive together.

All donors who submit a completed Letter of Intent to AKF are invited to join the 1967 Legacy Society.

The select circle of 1967 Legacy Society members consists of dedicated individuals who see service to humanity as a core value.

Their committed support is the key to improving the quality of life for millions of people and driving societal transformation for generations.

RIGHT: Students at an AKF-supported Early Childhood Development Center near Khorog, Tajikistan.



### **1967 LEGACY SOCIETY MEMBER BENEFITS**

- Life-long relationship with other members
- Invitations to the annual “Legacy of Light” events
- Invitations to periodic webinars on smart estate and charitable gift planning
- Bi-annual newsletters with upcoming events and inspiring donor stories
- Other regular communications to engage members with the work of AKF

# Here's what some 1967 Legacy Society members are saying

“(His Highness) says to not only look after the next generation, but also the generations beyond, so what better way to do this than with the PLG program?”

**THE LATE DR. MIRZA JESANI**  
CHICAGO, ILLINOIS – MAY 2020

“AKF’s efforts strengthen pluralism by empowering all peoples, regardless of ethnicity, class, or religion, and are indicative of the large-scale global efforts that we wish to support.”

**PERWAIZ AND CYNTHIA BAWA**  
EULESS, TEXAS – MAY 2021

“No one can achieve great heights without standing on the shoulders of others.”

**SADIQ KARMALI**  
KIRKLAND, WASHINGTON – DECEMBER 2022

“In sharing AKF’s core values—care and compassion for others—with our legacy gift we will continue to play a valuable role in AKF’s work for decades into the future, ensuring that countless people have the opportunity to fulfill their dreams.”

**AFTAB AND GUL CUMBER**  
CORAL SPRINGS, FLORIDA – SEPTEMBER 2020

# Why Endowments are an Essential Tool for Non-Profits

An endowment serves as a savings and investment account that continues to grow and whose income supports AKDN institutions in perpetuity. To protect against the erosion of the value of the endowment due to inflation, a portion of the income generated is annually reinvested back into the endowment, while a portion is directed towards programs.

## Endowments serve several important purposes:

1

They provide sustainable funds for the institution's ongoing operational needs. Access to these funds reduces institutional dependencies on annual grants or donations and provides a predictable source of funding to plan the institution's long-term programming.

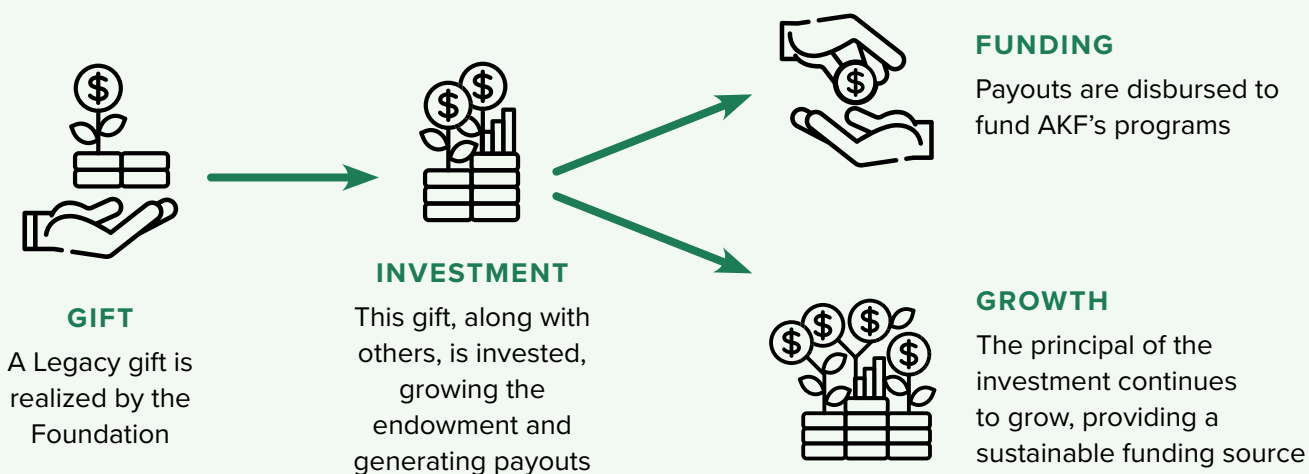
2

Payouts from endowments provide new, ongoing funds to support scholarships in educational institutions, or to assist patients needing critical health support at hospitals or health facilities in various countries.

3

Irrevocable PLG commitments (such as AKF-owned life insurance policies) may help leverage grants that depend on AKF demonstrating its asset base, and thereby facilitate access to resources that might otherwise not be available.

## Endowment Funding: A Gift that Grows





# Learn More

The Aga Khan Foundation Planned and Legacy Giving team is ready to help you!

## CONTACT INFORMATION

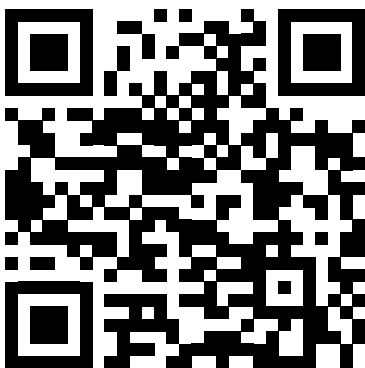
For more information on PLG or to inform AKF of your intention to give, call 1-202-293-2537 ext. 2, email [legacy.akfusa@akdn.org](mailto:legacy.akfusa@akdn.org), or visit [www.akfusa.org/plg](http://www.akfusa.org/plg).

## LEGAL INFORMATION

AKF USA recommends that all potential donors consult with their family and their legal and financial advisors before making a legacy gift. Individuals should also take the necessary steps to ensure that they have made adequate provisions for their family and heirs after their lifetime. In this way, the gift will reflect responsible stewardship of family resources and charitable service to society. AKF USA reserves the right to decline gifts and encourages prior discussions with AKF USA for planned and legacy gifting.

## READY TO JOIN US?

You can find even more information, including an Estate Planning Toolkit and a Letter of Intent you can sign online by visiting [www.akfusa.org/plg/guide](http://www.akfusa.org/plg/guide) or by scanning the QR code below.



## Inspiration in Action: A Family Business is Sustained in the Kyrgyz Republic

“There are those...who enter the world in such poverty that they are deprived of both the means and the motivation to improve their lot. Unless these unfortunates can be touched with the spark...they will only sink back into renewed apathy, degradation, and despair. It is for us who are more fortunate to provide that spark.”

**HIS LATE HIGHNESS THE AGA KHAN IV**  
OPENING OF THE AGA KHAN BAUG,  
VERSOVA ADDRESS AT THE STATE BANQUET,  
MUMBAI, INDIA, JANUARY 17, 1983

In Jan-Bulak, Naryn, Kyrgyz Republic, AKF is supporting this farmer and his family with half the costs of the construction of this cowshed as part of its small business development program. The farmer is contributing the other half. The shed protects the cows during the cold winter months so they can increase their weight.

AKF selected the farmer for this program because of his capacity to grow the business and create jobs.

Establish your legacy to help improve the lives  
of the next generation around the world.

Use this guide to discover your opportunity to  
make a lasting impact.

Your Generosity is the Key to Their Future.

**REACH OUT TO US TODAY**

For more information on Planned and Legacy Giving  
or to inform AKF of your intention, call 1-202-293-2537 ext. 2  
or email [legacy.akfusa@akdn.org](mailto:legacy.akfusa@akdn.org).



**AGA KHAN FOUNDATION**  
UNITED STATES OF AMERICA

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The Aga Khan Foundation USA is a non-denominational, non-profit, tax-exempt  
organization under section 501(c)(3) of the Internal Revenue Code.  
Internal Revenue Service EIN Number 52-1231983

**COVER:** While mothers typically take the lead in engaging with their children's school activities in Garam Chashma, Chitral, Pakistan, Imtiaz Ahmed challenges stereotypes by actively participating in his daughter's education. He also attends Parental Engagement and Networking Sessions funded by an AKF program.

The contents of this guide are up-to-date as of July 2025.