

Giving to Cornell from the United Kingdom

Cornell University Foundation (UK) Limited (the “Foundation”) is a dual qualified charity that was created in the UK (1) to make giving to Cornell more tax efficient for UK taxpayers and (2) to take advantage of UK tax incentives (Gift Aid) for the benefit of Cornell. The Foundation is registered as a charity in the UK and is wholly-owned by Cornell. This structure enables UK taxpayers to obtain UK tax relief and enables those liable for both UK and US tax in some situations to obtain tax relief in both countries on the same contribution. The Foundation’s Board of Trustees meets on a periodic basis to approve the distribution of gifts received by the Foundation. The Foundation will issue donors appropriate tax receipts. Cornell will send acknowledgement letters to donors via its normal processes.

Is the Cornell University Foundation (UK) Limited the same as the Cornell Foundation? No. The Cornell Foundation is the university’s donor advised fund. The Cornell University Foundation (UK) Limited is entirely separate and has an entirely different purpose as stated above.

Is this the first time donors who are subject to tax in both the UK and the US have been able to get tax benefits from their gifts to Cornell? No. Previously, UK donors made gifts to Cornell through an umbrella organization called Charities Aid Foundation. The Cornell University Foundation (UK) Limited acts as a separate, new charity that will end the need to make gifts to Cornell through the Charities Aid Foundation. We believe this will make the philanthropic process easier and more direct for donors to Cornell.

What is Gift Aid and what are the tax benefits for giving to the Foundation? Gifts made to the Foundation may be eligible for Gift Aid, a form of UK tax relief designed to encourage charitable giving. With Gift Aid, the Cornell University Foundation (UK) Ltd. can apply to HM Revenue and Customs (HMRC) to claim the basic-rate income tax that has been paid on the gross amount of the gift, thereby increasing the value of your gift.

For example, at present, if you make a gift of £1,000, the Foundation will be able to recover a further £250 from HMRC. If you are a UK higher-rate taxpayer, you may be entitled to claim further tax relief in your self-assessment tax return.

For UK taxpayers also subject to US tax:

If you are subject to tax in both the UK and the US, you may be eligible to take advantage of the Gift Aid scheme and other tax relief in the UK and also claim a US charitable income tax deduction for the amount of your gift, including Gift Aid reclaimed, on your IRS Form 1040.

For more information, please consult your tax advisor or visit the HM Revenue and Customs website at www.hmrc.gov.uk/individuals/giving/gift-aid.htm.

Who is eligible for Gift Aid? You are eligible if you pay UK tax at the basic rate and the total amount of income tax and/or capital gains tax that you pay in the tax year of your gifts is equal to or greater than the amount the charity will claim for your gifts. In other words, your Gift Aid amount cannot exceed the amount of tax you pay in a given year. Therefore a UK charity can

only reclaim the basic rate of tax if you have paid enough tax in the tax year to cover the amount reclaimed on your gifts. The tax year runs from 6 April one year to 5 April the next. For more information please refer to your tax advisor or the HM Revenue & Customs web site referenced above.

How does Gift Aid work? To qualify for Gift Aid, simply complete a Gift Aid Declaration Form and include it with your gift payable to Cornell University Foundation (UK) Ltd. The Foundation will then apply to HMRC to claim a portion of the tax you have already paid (your Gift Aid) and advise you of the amount collected. There is no limit to how often Gift Aid can be used to make gifts to the Foundation, but you only need to submit the Gift Aid Declaration form with your first gift to Cornell through the Foundation. All current and future gifts to Cornell through the Foundation will be covered by this one time submission of the form.

What types of gifts qualify for Gift Aid? Gifts can be made by cash, check, or wire transfer. At this time, online gifts are not accepted.

Planned gifts and certain gifts of real property (land) can be accepted for UK tax relief also.

Gifts not generated exclusively from individual personal income such as gifts of stock do not qualify for Gift Aid; and for these reasons, nor do gifts received from a corporate entity, foundation or payroll deduction. However, the Foundation can still accept such gifts.

Will my company match my gift through the Gift Aid Declaration? Yes, the *original gift* will be matched if your employer matches gifts to UK Charities.

Is there a minimum \$ amount gift that can be made via this foundation? No.

What if a donor claims at the higher tax rate? If you pay higher rate tax, you can claim the difference between the higher rate of tax (40/45 per cent) and the basic rate of tax (20 per cent) on the total (gross) value of your donation to the charity.

For example, if you donate £100, the total value of your donation to the charity is £125 - so you can claim back 20/25 per cent of this (£25/£31.25) for yourself. You can make this claim on your Self Assessment tax return if you were sent one. For more information on gift aid qualifications please visit: <http://www.hmrc.gov.uk/charities/donors/gift-aid.htm>

Are donors who want to designate gifts to Cornell's other campuses (Weill Cornell, NYC Tech, Qatar) also able to make gifts via the Foundation? Yes. Gifts to all of Cornell's campuses and schools can be made through the foundation.

Will donors want to access this before the end of December each year for tax purposes? In the United Kingdom, the tax year runs from 6 April one year to 5 April the next therefore timing concerns may be different for some donors. Dual qualified citizens will still be concerned about the end of December deadline.

How will these gifts be acknowledged? The Foundation will issue donors both a UK tax receipt and a U.S. tax receipt. Cornell will send acknowledgement letters to donors via its normal processes.

What currency can donors give? You can give £sterling or US dollars.

Does a gift made jointly with someone else qualify for Gift Aid? Yes, but you must tell the charity how much is from each of you and you will both need to give declarations (sign separate Gift Aid forms) if the whole amount is to qualify.

What happens after I give? Once you have completed the Gift Aid Declaration Form and sent your gift, the Foundation will take care of the rest, including all of the necessary filings. (The Gift Aid Declaration Form only needs to be submitted with your first gift to Cornell through the Foundation.) The Foundation will send you a receipt for your original gift which you can use for your UK tax purposes, and another receipt to be used for US tax purposes. The Foundation will collect the appropriate Gift Aid from HM Revenue & Customs.

The Foundation periodically remits all monies received to Cornell University. Cornell will send donors a letter of acknowledgement according to its usual practices.

How can I give? Send your gift (by check or wire transfer) and a one-time Gift Aid Declaration Form to:

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By the way, what exactly is included in the United Kingdom? The United Kingdom includes England, Northern Ireland, Scotland, and Wales.