

NAVIGATOR

A NEWSLETTER ON FINANCIAL, ESTATE, AND GIFT PLANNING
FROM THE UNITED STATES NAVAL ACADEMY FOUNDATION

SUMMER 2004

His Daughter's Gift Honors Admiral Royal E. Ingersoll 1905

By Laura Kurz and Carolyn Kantor

When Alice Ingersoll Nagle, longtime donor and friend of the United States Naval Academy Foundation, decided to make a legacy gift to the Naval Academy, she chose to create a lasting memory of her family's history on the Academy's grounds.

Mrs. Nagle's planned gift will benefit the Center for the Study of Professional Military Ethics, specifically the Teaching Ethics Resource Room, which will be named in honor of her father, Admiral Royal Eason Ingersoll 1905. Mrs. Nagle's most recent gift to the Foundation consists of three components: a life-income gift through a charitable gift annuity; annual current gifts for the rest of her lifetime; and an irrevocable bequest pledge through her will.

The annual gifts Mrs. Nagle has chosen to give will cover costs associated with the Teaching Ethics Resource Room and related Ethics Across the Curriculum initiatives at the United States Naval Academy. The life-income and bequest portions of her gift will become an endowment for the future needs of the ethics program.

**Mrs. Nagle felt
a need to preserve
her father's
memory and World
War II service.**

The United States Naval Academy Center for the Study of Professional Military Ethics was formally established in 1998 by the Secretary of the Navy to promote and enhance the ethical development of current and future military leaders through education, research, and reflection. Since its inception, the center has served as an ethics resource, not only for the Academy, but also for the Navy and Marine Corps.

This customized planned gift is Mrs. Nagle's fourth gift to the Naval Academy Foundation. Each gift has deepened her commitment to maintaining those facets of Naval Academy training that Admiral Ingersoll valued most during his stellar naval career and, indeed, his lifetime. Mrs. Nagle also felt a strong need to preserve her father's memory and important contributions to the Navy during World War II.

"I had been thinking about a significant gift for quite some time, but was convinced last year when I came to Annapolis and took a tour of the Academy," Mrs. Nagle said. "After watching a short film that highlighted Academy graduates

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Alice Ingersoll Nagle (right) and her niece, Grace Ingersoll, at the commissioning of the USS Ingersoll (DD-990)

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PLANNED GIVING PROGRAM (410) 293-1952

A WILL TO DO GOOD

Money is a great treasure that only increases as you give it away. —Sir Francis Bacon

The English philosopher/scientist referred to the greatest kind of treasure—the act of helping others. Knowing that your generosity has benefited another person or an organization is a satisfaction that can't be measured in dollars and cents but is priceless nonetheless.

Perhaps you are thinking about such a gift. As you contemplate the future, you consider ways of ensuring that the unique spark that represents *you*—your interests, passions, and dreams—continues to cast its light after you are gone. Perhaps you would like to help, in a significant fashion, a favorite institution or a cause in which you believe. You want to give for the greater good.

One of the best ways to accomplish this is through your will. By taking a few simple steps when preparing your estate plan, you can maximize the amount that will go to charity and minimize the amount “lost” to taxes.

Better still, you will have the satisfaction of knowing that you truly have earned a treasure—the heartfelt thanks of those whom you have helped.

A WILL TO GIVE

We all know that a will governs the distribution of certain assets after someone dies. But the document really says far more about one's *life* than one's passing. Your will reflects the values and relationships—whether they be with family, friends, your place of

worship, or charities—that are most important to you.

To ensure that those people and charities receive your assets in the manner you intend, it is important that you prepare for probate.

In a strictly legal sense, the term “probate” means that a court establishes the validity of someone's last will and testament. More generally, “probate” refers to all the steps necessary to settle an estate, beginning with locating and presenting the will to the court and ending with the final distribution and accounting by the executor.

A court establishes the validity of your will during probate.

While it may appear that a family member is a logical choice as executor, keep in mind the complexities and highly technical nature of many of the executor's duties, such as keeping detailed accounts and settling with

SAFEGUARDING YOUR RECORDS AND DOCUMENTS

Personal and financial records, legal documents, the original will, and tax returns are all essential to an efficient settlement of an estate. As such, they should be safely stored and readily accessible when needed. The following chart lists those records and documents that will prove helpful, suggests where they should be stored, and explains why they are important.

Records and Documents	Location	Value
Original Will	attorney's vault <i>or</i> bank vault (retain copy at home)	an irreplaceable document, essential for carrying out your estate plan
Investment Documents (<i>stock certificates, bonds, certificates of deposit, deeds, and titles</i>)	safe-deposit box	required for sale, distribution, or collection
Insurance Policies	safe-deposit box	required to make claims
Tax Returns	file at home (keep irreplaceable records and receipts in safe-deposit box)	helpful to executor when filing final income-tax return and estate-tax return
Asset Inventory	safe-deposit box	necessary to locate and collect property

creditors. It may make more sense to have a professional fiduciary, such as a bank or an attorney, act as your executor because of their experience and expertise.

Sufficient planning for the following steps will help your executor ensure the smooth, swift, and efficient settlement of your estate.

★ **Locating the Will.** If a will cannot be found, an estate will be distributed according to the often inflexible intestacy rules of state government. This means any gifts you intended for a favorite charity will never be realized.

For that reason, it is important to keep an original will in either an attorney's vault or a bank vault if the bank is acting as executor. Keeping the will in a safe-deposit box can create delays, since many states restrict access to such boxes without court approval.

★ **Collecting and Safeguarding Assets.** Once the will is accepted for probate and the executor has been duly appointed by the court, he or she is often forced to literally go on a treasure hunt to locate bank accounts, stock certificates, safe-deposit boxes, insurance policies, business records, and other types of property.

The executor must make a detailed record of all property to file with the court, collect all debts, investigate all claims owed by the estate, and manage property responsibly in the estate until liquidation. You will simplify your executor's job if you leave sufficiently detailed instructions about the location of all your assets, personal records, tax returns, bank statements, and other documents.

Note: This information will also be necessary for your executor to determine the taxes due on your estate.

**Leave a
record of the
location of
all assets for
your executor.**

★ **Determining Cash Needs.** Many estates, particularly those in excess of \$500,000, suffer from a severe shortage of cash. Funeral and burial expenses, attorneys' and appraisers' fees, taxes, and any outstanding debts all must be paid. To ensure that your assets are distributed to the recipients you intend, it is important to prepare for the liquidity issues your estate may face.

★ **Distributing Assets.** The executor's most pleasant task is distributing estate assets in accordance with the terms of the will. You should first make sure that sufficient funds and property are available to satisfy valid claims, pay taxes, and satisfy specific bequests. If the value of the bequests exceeds the value of the distributable estate, for example, certain bequests may be reduced—or even eliminated.

Giving forethought and preparation to the above steps will guarantee that your estate will be settled quickly, in the way you would like.

Fewer and fewer estates will be affected by the federal estate tax for the rest of this decade as the exemption-equivalent amount climbs from the current \$1.5 million per person to \$3.5 million in 2009. The tax is repealed for the year 2010—but it will be back in 2011 in full force with an exemption of \$1 million unless repeal or higher exemption amounts are reenacted prior to that time.

The uncertainties regarding the eventual fate of the estate tax and even the exemption amount in the intervening years will require constant vigilance to avoid getting trapped in an unforeseen situation.

Giving away
assets
minimizes taxes
and alleviates
the liquidity
crunch.



While preparing your will, your attorney and/or accountant will likely tell you that making a gift of some of your assets is the easiest way to minimize taxes and reduce the need for liquidity. In addition, a gift by bequest often allows one to give more to a favorite charity than was possible with a gift during life, with its many attendant responsibilities.

Have a Heart

Bob Hope was known for his wisecracks, but the comedian, who selflessly gave his time and talents over the decades to entertain American troops around the world, understood the intrinsic value of helping others. “If you haven’t got any charity in your heart,” he once said, “you’ve got the worst kind of heart trouble.”

If you have “charity in your heart,” it is important that you spell out your wishes in your will. You may have mentioned once in passing to cousin Teddy that you would like a favorite charity to receive a certain amount; but unless your will makes that stipulation, it will not happen.

To whom should you give? First, you will want to make sure that your heirs are taken care of. Then you might think about where your time is now spent—with the organizations and interests that matter the most to you; whether they are your place of worship, a local museum, or the United States Naval Academy Foundation, these obviously reflect your values. As such, gifts to one or more of them would help perpetuate the ideals and causes you believe in.

How much should you give? The answer lies in your heart—namely, what feels right to you. Whatever your choice, you may be surprised at how satisfying the act of making this decision can be. “You have not lived until you have done something for someone who can never repay you,” Puritan John Bunyan once wrote.

We’re Here to Help

Giving to charity is a rewarding action, but ultimately one that each individual must take on his or her own. Over the years, the generosity of people like you has enabled the Naval Academy to further its mission successfully. If you have any questions about making a gift under your will to USNA Foundation or if we can help in any other way, please do not hesitate to call.



To assist in your planning, we would also like you to have a free copy of our booklet, *A Personal and Charitable Financial Record*. It is designed to provide your family and executor with essential information about your assets and their location, as well as information about other important documents. To request your copy, simply call our office or return the enclosed card. We can also provide you with sample bequest language to help you prepare or modify your will.

Help the
causes you
believe in
through
your will.



Spotlight on: The Robert Means Thompson Society

To understand the purpose of the Robert Means Thompson Society is to understand the man for whom our planned giving society is named. Colonel Robert Means Thompson, USNA 1868, provides the finest example of legacy through philanthropy at the United States Naval Academy. After graduating tenth in his class, he briefly served in the Navy, then went on to earn a law degree and to become a successful entrepreneur. Thompson remained actively involved with the Navy and the Naval Academy, serving as an advisor to the Secretary of the Navy. He also served on the board that condemned the poor state of the Academy's facilities and then personally paid for the architectural services of Ernest Flagg in order to rebuild the Academy. Perhaps the greatest testament to Colonel Thompson's love for the Naval Academy is the set of beautiful bronze chapel doors he commissioned as a memorial to his classmates.

Robert Means Thompson was also deeply committed to the physical development of midshipmen. Known as the father of the Naval Academy Athletic Association, he helped midshipmen to establish the organization. He was equally involved with the Navy League. His philanthropic spirit and advocacy for the Academy and naval service continue to serve as an inspiration, even to this day.

The Robert Means Thompson Society was created to honor alumni, parents, and friends who have included the Naval Academy in their estate plans through bequests, trusts, gift annuities, insurance policies, and other types of deferred gifts. Each and every planned gift to the United States Naval Academy Foundation represents a critical reservoir of future support for the Naval Academy and further enhances the superior training offered to the thousands of men and women who encompass the Brigade of Midshipmen.

We invite you to join the Robert Means Thompson Society and become an important philanthropic partner of the United States Naval Academy Foundation. For more information on becoming a member or establishing a planned gift, please call the Planned Giving Office at (410) 293-1952 or e-mail us at plannedgiving@usna.com.

Welcome to the following new RMTS members who joined the Society between April 1, 2003 and April 30, 2004:

Class of	Name		
1934	RADM and Mrs. Curtis H. Hutchings	1961	Dr. John Overton Bennett
	Mrs. Chester A. Siver*	1962	CDR John C. Hinkle, USN (Ret.)
1945	CDR and Mrs. Lyle A. Cox		CAPT David W. Hoffman, USN (Ret.)
	Mr. Hugh L. Culbreath, Jr.* and	1964	RADM and Mrs. Thomas C. Lynch
	Mrs. Betty King Culbreath		Mr. and Mrs. Robert A. Orlosky
1946	CDR and Mrs. George W. Tarleton	1965	CDR Robert P. Bush III, USNR (Ret.)
1948	CAPT Robert D. Rawlins, USN (Ret.)	1966	Tommy E. Payne
1950	Mr. and Mrs. Lewis H. Kessler, Jr.		Mr. Anthony J. Sarno, Jr.
	Joseph J. Pausner, Jr. and Joann F. Pausner	1971	Mr. Douglas G. Conklin
1951	CAPT James R. Nehez, Jr., USN (Ret.)	1972	CDR and Mrs. Christopher W. Panos
	CAPT and Mrs. David W. Weidenkopf		CAPT and Mrs. Edward C. Wallace
1952	LCDR and Mrs. John R. Owen	1973	BGen and Mrs. Leif H. Hendrickson
1953	Mac and Nancy Cramer	1975	CAPT and Mrs. Bernard C. Bailey
	CAPT and Mrs. Michael T. Greeley	1985	LT and Mrs. Douglas P. Haack
	CAPT and Mrs. John E. Hoch, Jr.	Friends	CAPT Andrew J. Combe, USN (Ret.)
	CDR Donald J. Rothenberger, USN (Ret.)		Ms. Kathryn M. Miller
1956	CAPT and Mrs. Edmund C. Mortimer		Mr. Mark A. Schlang
1957	Mrs. Edward J. Mahon, Jr.	Parents	Mr. and Mrs. John M. Calandra
1958	CAPT and Mrs. Charles J. Bowne, Jr.		Michael F. and Patricia A. Keller
1960	CAPT and Mrs. Douglas M. Johnston, Jr.		* Deceased

who served as admirals in World War II, I realized there was no recognition of my father. It was at that moment that I made the decision to honor his memory and the role he played in America's naval history. More than anything, I wanted his name to last."

Working closely with Christy Cole, the Foundation's director of planned giving, Mrs. Nagle was able to turn her philanthropic wishes into a gift with lasting impact. "Christy worked very hard to make sure my gift was suitable and fitting for my father. Ethics were very important to him, as were academics," said Mrs. Nagle. "He was a scholar and held a deep affection for the Navy. The Ethics Center seemed like a perfect fit for him, and I'm sure he would have been proud to have his name associated with the ethics program at the Academy."

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The Ingersoll family has a significant history at the United States Naval Academy. Rear Admiral Royal R. Ingersoll, Alice's grandfather, was a graduate of the class of 1868 and a classmate of Colonel Robert Means Thompson, the philanthropist for whom the Foundation's planned giving society is named. Lieutenant Royal R. Ingersoll II, Alice's brother, graduated in the class of 1934 and lost his life in World War II at the Battle of Midway. But it was Admiral Royal E. Ingersoll, Commander in Chief of the U.S. Atlantic Fleet and Protector of the Western Hemisphere during World War II, that Mrs. Nagle chose to honor in this very special way.

Throughout his illustrious career, Admiral Ingersoll served on many different ships, including the USS MISSOURI, the USS GEORGE WASHINGTON, the USS CALIFORNIA, and the USS AUGUSTA. During World War I, as assistant for communications and communications officer in the Office of the Chief of Naval Operations, he was awarded the Navy Cross for organizing the greatly expanded Naval Communications Office during the war.

On January 1, 1942, then Vice Admiral Ingersoll was designated Commander in Chief, U.S. Atlantic Fleet, hoisting his flag on the AUGUSTA and advancing to Admiral. He organized the movements of thousands of ships across the Atlantic in order to have men and supplies on hand at the precise hour for the North African landing in November of 1942. Admiral Ingersoll's leadership insured the troop convoy's safe arrival and preserved the old Navy tradition of never losing a troop ship, an accomplishment Admiral Ingersoll treasured.

In addition to the Navy Cross and Distinguished Service Medal he was awarded, Admiral Ingersoll also received the Victory Medal (in both World War I and World War II), the American Defense Service Medal, and the European-African-Middle Eastern Campaign Medal. Across the globe, he was also recognized in France as a Chevalier of the Legion of Honor and received the Order of Naval Merit (Grand Cross) from the Government of Brazil.

"The Academy meant a lot to my family and we spent a great deal of time there during my childhood," Mrs. Nagle reflected. As a youth, she attended school in the basement of what is now Mahan Hall. "I have very fond memories of Annapolis from when my brother was a midshipman and when my mother and I lived in Annapolis when my father went to sea.

"My father was a quiet man, but also a very important man with high moral standards. I feel quite comfortable with the choice I have made to honor his memory through the ethical development of midshipmen and Naval and Marine Corps officers," said Mrs. Nagle. "I would recommend working with the planned giving team to anyone who wishes to give something back to the Academy."



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You should consult your attorney about the applicability to your own situation of the legal principles contained herein.
