



HOW TO INCREASE GIVING IN YOUR CHURCH

A Planned Giving Manual for Local Congregations

- Encouraging Bequests
- Establishing an Endowment Ministry
- Developing Planned Gifts and Memorials
- Promoting Christian Philanthropy

ACHIEVING DREAMS BEYOND THE BUDGET

How to Increase Giving In Your Church

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A THEOLOGICAL BASIS FOR PLANNED GIVING IN THE CHURCH

Gift giving is an activity at the very heart of the Christian Faith. The Biblical record chronicles the activity of God as a gift-giver and demonstrates how persons of faith have responded with gifts of their own. This understanding of our giftedness, the heart of Christian stewardship, provides a powerful motivation for giving - both current and deferred. The fundamental task of planned giving in the Church is to enable persons to expand their vision of stewardship to encompass their wealth as well as their income.

The very first message of the scriptures is that "In the beginning, God created..." God's ownership of all is implicit in God's creative work. As persons who have been gifted, we appropriately are called to give. The Old Testament account makes it clear that God's people must be prepared to recognize the temporal nature of possessions. What we have has been given to us and will pass again to another. The faithful take care that some of this is given back to God.

Leviticus 25 describes the charge to pass on property each 50 years. Quite clearly this is intended to be a symbolic number corresponding closely with the life-span or generation. The Year of Jubilee when all ownership would be dramatically reoriented is a powerful symbol of planned giving through one's estate. We do not have the option of true ownership and we can't "take it with us." Accordingly, our only faithful alternative is the thoughtful distribution of our property in accordance with our faith.

Jesus gave emphasis to money and possessions as an important means for living out one's citizenship in the Kingdom of God. The full appreciation of the kingdom always had a future orientation. Wealth and possessions were not to be seen as the end of one's labor but rather as yet another manifestation of God's grace. The parable of the Talents (Matt. 25:14 - 30) demonstrates a powerful stewardship principle regarding wealth and possessions. Property and other wealth is clearly no more than a means to a larger end. Those who fail to grasp this distinction are judged rather harshly, but those who see the greater utility of building for the Master are praised and rewarded. There is a hopeful dimension to the parable as the vision of building a kingdom yet to come is brought into clearer focus.

St. Paul contributes a helpful word regarding special gifts and endowments in his instructions found in I Timothy 6:17-19. "Command those who are rich in this present world not to be arrogant nor to put their hope in wealth, which is so uncertain, but to put their hope in God, who richly provides us with everything for our enjoyment. Command them to do good, to be rich in good deeds and to be generous and willing to share. In this way they will lay up treasure for themselves as a firm foundation for the coming age, so that they may take hold of the life that is truly life." As a wealthy and gifted people, we are called to invest in the kingdom yet to come, establishing "firm foundation for the coming age."

Planned giving is the technique the faithful may use to give concrete expression to this Biblical witness and mandate. Such gifts not only may provide enrichment for the coming age but a salutary benefit to the donors here and now. Such blessings, whether the satisfaction of faithful stewardship or the tax benefits of a well-planned gift, are entirely consistent with the witness of scripture that proper stewardship living is satisfying, moving the giver to be “cheerful.” (2 Cor. 9:7)

The congregation that encourages such an attitude will be marked by more than increased financial strength. It will exhibit as well the healthy glow of a community of persons excited about their role as builders of the very kingdom of God, co-creators with the one who has graciously gifted each one. The “treasures in heaven” of which Jesus spoke (Matt. 6:19-21) can be manifest here on earth when the faithful find expression for planned giving.

WHAT IS A PLANNED GIFT?

The term “planned gift” may seem strange to you. Who would ever give a gift that they did not plan to give? Many colleges and universities have used the term to identify gifts that are given over a particular dollar amount or in a form that is not immediately available for the use of the institution. Often these institutions have used these gifts to increase the size of their endowments or to build new buildings. Because of the aggressive promotion of this type of giving by large institutions, people may get the mistaken idea that this gift is only for the very wealthy or that it is not a gift that would interest their church.

A planned gift can be defined simply as one that is given outside the regular offering or for purposes beyond the day to day needs of the church. It can take many forms. Your congregation may define a planned gift in relation to the purpose for which it is given. As you will discover later in this book, it could be a gift to a memorial fund or a gift given in honor of an individual or a family.

Quite often, a planned gift is defined by the type of resource that is given. It is often given from resources beyond one’s checkbook. It may be from accumulated assets such as stocks and bonds or from life insurance or real estate. Because of this, planned gifts tend to be larger in size than gifts that are given on a more routine basis. However, the promotion of planned gifts provides an excellent opportunity for the congregation to be educated in the understanding that gift giving is a lifelong response to God’s consistent love and concern for us. This love is not just for the moment, but forever!

The motivation to make such a gift is a direct response to an understanding of stewardship in its best form. To give something that is the result of one’s life work is to affirm that life itself is a sacred gift from God. Our accumulations are testimony to God’s goodness, and giving is an appropriate response to affirm the source of these riches. The congregation that fails to establish giving opportunities beyond the offering plate runs the risk of teaching an incomplete understanding of stewardship.

Planned giving is not a replacement for, but a complement to the current giving program. Congregations that focus on the *Budget* rather than *Ministry* see planned giving as a luxury that they will get to some day. A focus on the immediate needs may unintentionally become, more simply fund raising rather than a comprehensive lifelong stewardship program. The congregation that will take the time to implement a planned gifts program as an integral part of their ministry will affirm the understanding of the church we affirm in our membership vows that, “it will be preserved to the end of time!”

Additionally, the benefits of a well-constructed planned gifts program can provide a source of funding for ministry that expands the role of the church in the community and even the world. Evangelism in the best sense of the word can be furthered by funds that are available from gifts given to perpetuate our Christian tradition.

WHAT CAN BE GIVEN AND IN WHAT FORM

CASH

The first type of gift the church is accustomed to receiving is that of cash. A gift of cash is very simple to make and does not need to have the intervention of a broker or attorney. However, a cash gift may not be the best gift for the donor to make. There can be significant income tax advantages to gifts of other assets. In many cases, the added tax advantage of another type of gift will allow the donor to make a gift larger than they may have thought possible.

SECURITIES

A common planned gift to be given is a gift of appreciated securities. The significant advantage to the donor is that the tax deduction for the charitable gift is based on the market value of the securities on the date they are given over to the control of the church. For the church, there is the advantage that the tax savings may allow a larger gift to be made. By transferring any appreciated property to the church there is no capital gains tax to the donor and the tax deduction is based on the fair market value of the stock at the time of transfer to the church. It should be noted that a church is exempt from capital gains tax.

Example of Tax Advantage of a Gift of Appreciated Stock

Current Fair Market Value of Stock	\$10,000
Cost Basis of Stock	<u>2,000</u>
Capital Gain if Sold	\$ 8,000
Capital Gains Tax @ 20% =	\$ 1,600

If stock were sold and the proceeds donated to the church the resulting tax deduction would be reduced by the capital gains tax of \$1,600.

If however the donor gifted the stock without selling it, there would be a charitable deduction of \$10,000 plus a capital gains tax saving of \$1,600 making the net cost of the gift \$ 8,400.

To complete such a gift the donor provides the church with a stock power, a letter indicating the stock in question is to be given to the church and transferring the right to the church, and the stock certificate. If the stock shares are held electronically, the process can be even more streamlined. In the case of the gift of a bond, the process is similar; only a bond power is used rather than a stock power. In most every case it is better to sell the stock immediately upon receiving it rather than attempting to hold it for a higher price. In many cases a denominational foundation can assist with the sale of the stock at a lower commission than is attainable by the church.

The gift of closely held stock is another good gift to the church. In making this gift the donor not only escapes any capital gains tax, but there is also the advantage of using the process to pass the holding on to the next generation. The corporation can value the stock by a repurchase agreement that enables the church to sell the stock back to the corporation. Also, in some cases the church can sell the stock back to the corporation over time and take a note from the corporation. This provides income to the church while the company is accumulating the funds necessary to repurchase the stock. The interest on the note can also result in a tax deduction for the corporation.

REAL ESTATE

Gifts of real estate can be a bit more complex. Occasionally a church may receive a gift of real property as a bequest that, though it may look like an asset, it is really a liability. This is most often true when the real estate has an unoccupied building sitting on it. The liability for taxes, insurance and marketing the property can be quite costly. Another often overlooked area of concern is that of environmental issues. A former owner of the land may have in some way polluted the land or subsoil. The church should have a phase one environmental evaluation to protect itself from any future liability for clean-up. Even asbestos shingles on a home can potentially be the source of clean-up expense.

Nevertheless, a gift of real property to a church that is in need of land to expand or provide additional parking can be a very attractive offer. The donor needs to secure an appraisal of the gift by a qualified appraiser. By transferring the property to the church there is no capital gains tax to the donor and the tax deduction is based on the fair market value of the property at the time of the transfer to the church.

BARGAIN SALE

Churches that are seeking property may encounter individuals that want to sell it to the church at a price less than its appraised value. This situation is one in which the transaction is part gift and part sale. The transaction is known as a bargain sale in the tax code and provides a tax deduction to the owner of the property for the difference between the sale price and the appraised value. If any capital gain is involved, this is prorated based on the ratio between the sale price and the appraised value as well.

LIFE INSURANCE

Life insurance has become a more popular form of gift in the last few years. If the donor has a life cash value insurance policy that is no longer needed, this can be a good source of giving to the church. Yet, asking congregation members to buy new policies and name the church as both owners and beneficiary is seldom a strategy that is worthwhile for the church. When giving an existing policy, the donor is entitled to the replacement cost of the insurance as the charitable tax deduction for the gift. If premiums are still due, the donor can make a gift to the church to pay them and deduct the amount paid each year as a charitable gift.

RETIREMENT PLANS

One of the latest and most productive forms of planned giving is that of retirement plan assets. Properly structured, using a charitable remainder trust as a beneficiary of an IRA or other pension plan may have the potential to significantly decrease the Estate and Income tax payable to a spouse and/or other beneficiaries. This is an excellent way for the donor to feel a sense of satisfaction in having made a gift while having also provided a secure income for a beneficiary.

PERSONAL PROPERTY

Personal property gifts can be a little tricky. If the property given is for the specific use of the church and is related to its exempt purpose, then it is possible for the donor to receive a significant tax advantage for making such a gift. *(An example of this type of gift would be a gift to the church of a grand piano for use in the sanctuary.)* If, however, the gift of a collectible or other item is made to the church and it is not related to its exempt purpose, the donor is only entitled to an income tax deduction of his/her cost basis or the market value if it is less than the actual cost basis. *(An example of this type of gift may be a coin collection or similar collectible.)*

TIME

One of the most confusing areas in the tax code is the gift of time. If a plumber donates time to the church, the gift is not tax deductible. Yet, if he pays his workers to work at the church or provides the material necessary to complete the job, the deduction is limited to the wages paid to employees, as well as the cost of the materials provided to the church for the repair.

PLANNED GIFTS

A planned gift can be given at any time. It can be a gift that is made in one's lifetime or it can be a gift that is given through one's estate. There is often a tax advantage to planned gifts. Though this seldom is the primary motivation for the gift, it has a significant role to play in determining the size of the gift and when the gift is given. Because the nature of the gifts given tend to be out of one's accumulations, some have felt that planned gifts are more usually given by individuals that are over the age of 55.

All of these factors enter into determining when a planned gift is made and who is most likely to make it. A younger person may feel it most appropriate to provide for a planned gift in their will while an older individual may find more advantages to making a gift while living. In the past few years, planned gifts have been increasing from persons between the age of 35 and 55. Therefore, do not discount the potential for gifts to be given by younger individuals.

GIFTS BY WILL (Bequests)

The most common form of a planned gift is one that is made in one's will. This fact emphasizes the need for the church to take the lead in educating all persons as to the importance of planning their estate. Many pastors have witnessed the needless difficulties that can arise when an individual has failed to establish a plan for those they leave behind. Encouraging estate planning will not only ensure that family concerns are met, but it also provides an opportunity to emphasize the Christian perspective of lifelong stewardship.

Gifts that are given to the church in the form of bequests can be for a specific dollar amount or for a percentage of the estate. Many attorneys have shared that most individuals are willing to make gifts to their church through their estate plans, but few have ever been asked to consider such gifts. Bequests to the church may have specific tax advantages that can actually increase the size of bequests to individuals. This would occur when the estate taxes were reduced as a result of a credit given to the estate for a charitable gift. Since the taxes are reduced, there would be more assets available to distribute among the non-charitable beneficiaries. A gift to the church from one's estate is a wonderful expression of faith and an opportunity to perpetuate one's lifelong Christian influence.

LIFE INCOME GIFTS

A gift can be given in such a manner as to provide significant benefits to an individual while living. Such gifts are sometimes referred to as life income gifts. The basic concept is that the asset given is irrevocably transferred to the control of a trust or charitable institution. Depending upon the form the gift takes, the donor then receives fixed or variable income for their life or the life of a spouse or other individual. Life income gifts can be an excellent way to accomplish many goals at once.

Because the gift is irrevocable, a life income gift provides many current tax benefits. These benefits assist in increasing the size of the gift given, and can also play a role in providing increased current income for the donor as well. The reduction or elimination of capital gains tax can also be a significant benefit to the gift giver. There may even be estate and inheritance tax advantages that will ultimately provide benefits to the family of the donor.

When the income beneficiaries of a life income gift die, the remaining principal of the gift is available for use by the church. By creating a life income gift an individual has the satisfaction of knowing that they have responded to the ministry needs in a very significant and specific manner. Depending upon the income needs of the donor, a life income gift can be in many forms.

UNITRUSTS AND ANNUITY TRUSTS

A charitable remainder trust can be established to take advantage of potential growth in the value of the assets in the trust and thus provide potentially more income to the individual over their life. This type of life income gift is known as a Charitable Remainder Unitrust (CRUT). The donor places assets into the trust and the trustee invests the assets. Each year the trust is revalued and the donor receives a stated percentage of the value of the trust. This type of arrangement has many advantages for the donor. A younger donor can have the trust invested for growth in their working years and then managed for income in retirement years. Additional contributions can be made to the trust from time to time. All gifts to the trust provide a current income tax deduction as well as escaping any capital gains tax.

Another type of life income gift is in the form of a guaranteed dollar payment to the donor each year. This is known as a Charitable Remainder Annuity Trust. Once established, no additional deposits can be added to the trust; however, it provides an income tax deduction in the year the trust is established and the security of knowing the income payment will remain constant over the life of the beneficiaries.

GIFT ANNUITIES

One of the oldest forms of life income gift is the Charitable Remainder Gift Annuity. In this arrangement a gift is given to the church and, in a contractual arrangement, the church agrees to pay, to the beneficiaries of the gift, a stated percentage of the original gift. The rate of return is determined by the age of the beneficiaries at the time of the gift. The donor gets a tax deduction in the year of the gift. A portion of the income paid to the donor each year can be tax free. Unlike the Unitrust and the Annuity Trust, any capital gain on the assets used to fund the Gift Annuity is prorated and reported to the donor over the donor's life expectancy.

Gift annuities can be structured so that the payments to the beneficiary are deferred for a period of years. This enables a higher annuity payment to be made to the donor. This type of gift has been popular with younger donors that seek to make a charitable gift and provide for retirement income as well.

Many denominational foundations are available to assist the local church in offering gift annuities. This enables the church to be relieved of the burden of tax reporting and complying with various state and federal regulations. It also enables the donor to feel more secure that the gifted assets are being professionally managed.

POOLED INCOME FUNDS

This form of life income gift enables a donor to invest smaller amounts into a common investment pool. The income to the donor varies each year with the investment experience of the fund. A charitable deduction is available at the time of the gift and additional amounts can be added to the pool. Except in the case of a large church, the Pooled Income Fund would most likely be managed by a denominational foundation. If none of these options are available, in some cases a community foundation will have a pooled fund that is available to use and still benefit the church.

REVOCABLE GIFTS

An often overlooked form of giving is a revocable gift. This is a gift that is not yet completed, and therefore, is still under the control of the donor. For this reason, there is no tax advantage to this type of giving, however, there is the advantage that the gift will be made if the donor does not revoke it. An example of this is a Totten Trust. This is accomplished by an individual registering a bank account, a certificate of deposit, or other asset in the name of the individual owner and then the words, "in trust for _____ Church." The asset can be used at the discretion of the owner in any manner. If the owner dies without changing the account, the asset passes to the church.

Whether a gift is given in the form of a bequest, an outright gift, or a remainder from a life income gift, it can be given with restrictions on its use or in an unrestricted manner. A well-thought-out policy by the church can greatly assist in guiding the donor to make gifts that will not decrease in their usefulness over time. Gifts designated for education are more appropriate than those to support a specific Sunday school class that may cease to exist.

MEMORIAL AND HONOR GIVING

Some people want to give and have those gifts used immediately. Some want to give and only have the income used. The first is usually called memorial or honor giving. The latter is sometimes called endowment and at other times permanent funds. Both become part of the *Gift Planning Strategy* of the local congregation.

The gift-planning strategy of a local congregation is to facilitate a person's desire to give. Most churches have some form of "memorial" fund. The problem is that most of these funds, in the way they are not used, encourage people not to give. Many church's memorial funds have between \$5,000 and \$25,000. Many of these funds were given years ago and no one can remember what they are for.

Memorial gifts are traditionally gifts at a person's death. The invitation is often listed in the obituary as "in lieu of flowers." Memorial gifts are often given at the time of a person's death instead of giving flowers. It is a time to say that that person was important and will be missed. But, memorial gifts do not always have to come at a person's death. Some people also like to make memorial gifts on the anniversary of someone's death. Or, at other times in remembrance of someone close. Some gifts can be given to "honor" someone who is still alive. It is a celebration of one's life at an anniversary, birthday, or just to say "thanks." One person I know has a very close aunt. She is past eighty in age, yet very vibrant in all she does. She doesn't need any more gifts. In fact she is in the process of giving away many of those items of worth to her. On the anniversary of her birth, a gift is given in honor of her through the memorial funds for youth ministry (her favorite).

Does your church encourage gifts through your church's memorial funds? The scenario in most churches is that when mom died, the children decided what the church needed was new choir robes. Mom sang in the choir for a long time. Her involvement in the church was because of the choir. The choir needed new robes and that would be a lasting tribute to mom. The obituary in the paper instructed persons to make memorial gifts to the church "in lieu of flowers." Of the \$3,500 cost for new robes, \$2,500 was given. Then the memorial committee waited until the rest came in. That was seven years ago and they are still waiting. Meanwhile, the family has left the church in anger over the memorial never being completed.

The problem is that, in most churches, there is not a committee or policy for memorial gifts. There is just one person who manages the funds; usually in a bank savings account. No one is really in charge. People know there is a fund, but because of its inactivity they do not see any need to give to it.

INSTITUTE A SIX-MONTH MEMORIAL POLICY

The problem in the above scenario is that the family was never given a report of the progress of the fund. In other cases, money has been given, but no communication has been made with the family to decide how it is to be spent. In still other cases, churches simply put the funds in the

general account of the church, and the money is “lost.” People know that money has been given. They never see any of the money being spent for any program, mission, or ministry of the church.

Six Month Policy

With a six-month memorial policy all funds must be spent within six-months of a persons death, or of the money given to the church. After a person’s death, or money given to the church in memory or honor of someone, but no later than six months, someone from the church communicates with a representative of the deceased (honored) to see what is to become of the money that has been given. If there has been no declaration of intent, the church can make suggestions regarding the use of the money. If the family had previously selected a use for the money, but not enough was given to purchase the selected item, the family should be given a choice: [1] select a new item for the memorial, consistent with the amount that has been given; or [2] see if the family can come up with the additional funds to fulfill their gift selection. In most cases, the family will raise the rest of the funds. They have chosen a proper memorial and they will find a way to make it happen.

The leadership of the church should control gift selection! Some time ago, one of the authors of this resource wrote an article titled “More Than A Brass What’s it.” Left to their own, most people do not know what the church needs. What they see is what they think the church needs. What they see is usually something to do with worship: a brass cross, a brass candlestick or candelabra, or brass communion ware. The church can only use so much brass!

Annually, the leaders of the church should decide what kinds of gifts they would like to receive in the coming year through the memorial and honor gift fund. Include in the list items that cost a lot. Maybe the church needs a new computer system for \$30,000. Also, include small gifts. You may want to put Bibles in each of the classrooms at \$15 each. Include program gifts (vacation church school or youth ministries) as well as potential mission gifts (Habitat For Humanity, your church’s mission in Africa). List the gift as well as the cost of the gift. If you have a current (or near-future) building program, include gifts to the new building of chairs, wall boards, podiums, sound systems, etc. in memory of or in honor of a loved one. Revise this list annually, if not more often!

Six Elements of A Memorial Fund

1. Appropriate and immediate responses to donors and family
2. A public and permanent record of the name of the person being remembered
3. Adherence to policy on the use of such funds
4. Complete annual reports to congregation
5. Both immediate and annual recognition of person being remembered
6. Annual contact with deceased person’s family

ORGANIZATION

Organization is key to any program or ministry in the church! Recruit at least three persons to be part of the memorial and honor committee. When you have just one person, not much gets done, except record keeping. When you have two persons they sit and talk about all they cannot get done. With three persons there is enough discussion to actually get the work done. Give each member of the committee something to do! If you have three persons, have one person in charge of "marketing." This is the work of helping people in the congregation know that they can make gifts through this fund and how the gifts are used. Put one person in charge of sending thank you notes to those who give, and a recognition of a gift received to a member of the memorialized person's family. The third person can keep good records of who gave, how much, and how the money has been spent.

Set-up a system to let persons know that a gift has been received. All gifts should be recorded in some form of memorial record. This is often a type of album set out for all to see. Work with a printer to design a memorial card just for your church. Use these cards to report to givers a word of appreciation for their gift. Within a week of a gift being made, a note of appreciation should be sent for each gift given. A note of appreciation goes a long way in inviting persons to make a subsequent gift. On the other hand, when people do not know their gift has been received, they may not give the next time.

Send a report to the family of the deceased (or the person honored) of the gifts received. You do not need to tell the value of each gift, just who gave. A periodic report of the progress of the funds received will encourage the family to make additional gifts, if it is needed. Make sure the family knows that something has been done with the money that has been given.

Annually, select a time to recognize those persons who have died in the past year, and to consecrate the gifts put into the ministry of the church through the memorial and honor fund. There are several times in the year when a church can celebrate Memorial Sunday. Memorial Sunday on the calendar is often not the best time. This may be a low Sunday in attendance. Some churches use All Saints Day the first Sunday in November. Any Sunday will work! Memorialize and remember all those persons who have died in the last year. The accounting person on the committee should keep close records throughout the year. Keep a record of those members and friends of the church who have died. Also keep a close record of those persons who may have died in the past year who are related to members and friends of your church. You may want to include persons from your community or the world who have died in the last year.

A Remembering Space

A space within the church building, preferably a very visible space, can be created which will serve as a constant and continual reminder of the contributions and lives of 'those who have gone before'. The space should convey both good taste and permanence. It can contain appropriate art works, a 'book of abiding memory' wall plaques, and historical objects.

Invite all those whose lives have been touched by those you will memorialize to come to the Memorial Sunday service of recognition. Besides notices in your bulletin or newsletter, send personal notes to those who represent persons who have died to attend this special time of recognition. At the same time, consecrate those gifts, which were placed into service this past year because of memorial gifts, into the ministry of your church. Find a way to praise God and thank persons for a life lived and the ministry of your church.

Celebrate The Saints in Worship

- Focus worship on Thanksgiving to God for the lives of local people and for the lives of well-known figures such as Susanna Wesley or Francis of Assisi. God was glorious in them, and we long for a continuing sense of communion with them as we proclaim in the Apostles' Creed.
- Choose music that your congregation can do meaningfully. If "For All The Saints" is difficult for your members to sing, try "Faith Of Our Fathers" and "Forward Through the Ages."
- Tell stories about the people in your congregation who have died. Include in the sermon brief remembrances of local saints who lived in other times and places. A useful source is *For All The Saints*, edited by Clifton F. Guthrie.
- Host a banner-making session during Sunday school a week or two before the All Saints Day celebration. Invite the youth and children to help make banners of saints' names. Be sure to include members of your congregation who have died in the last several years. Display banners in the sanctuary.
- Read the names of those who have died, and ring the church bell after each name. Write a litany (see appendix for this chapter) for this action.
- Celebrate Holy Communion, which reminds us that the living and the dead are always together in Christ. Use "The Great Thanksgiving Prayer for All Saints" found in the *Book of Worship*.

At the same time, design a special Memorial brochure. People will not give, and often cannot give unless they are given a means to give. A sample brochure is at the end of this chapter for you to use as a model for your church's brochure. You will want to include in the brochure, ways to give, types of gifts to receive, as well as how to give and where.

People want to give, but often need ideas to spark their action. In the first section of your brochure list the ways people can give through your fund:

- Memorial Gifts - the most common way to give is to make a gift to the church at the time of a person's death. Some of us may have wanted to make a gift at the time of a person's death, but never got around to it. If we did not make a gift then, is there a way for us to make a gift later on? Many persons would also make a gift on the anniversary of a person's death, or at the time they would have celebrated their birthday each year. Without your giving persons permission to do so, gifts will not be made.
- Honor Gifts - most persons would not think of making a memorial gift when a person is still alive. Give them permission to make a gift through your church's fund even before a person is deceased. Give them suggestions regarding a person's birthday, anniversary, or just a time when you are thinking of them. Why wait until someone is dead to say how important they are?

Your church will want to control the types of gifts you receive. In the second panel of your brochure make a list of the gifts and the estimated cost of the gift. Include not only large gifts, but individual gifts almost anyone can afford. Make sure to update this list annually and report to the congregation when gifts are received.

The third panel of your brochure will include a place to record the givers name, address, phone, etc. Also include a place to record who is to be remembered or honored, and the amount of the gift. Provide a list for which the giver can record choices for their gift: as the church needs; as the family has chosen; or for the following.

The most important part of this brochure is usually left out. We assume that everyone knows where the church is located. Don't assume! Put the church's correct address and phone number on the brochure where everyone will see it. If I have to look for the address, or worse yet, if I cannot find an address to mail the gift, you will not receive it!

Give a brochure to everyone who attends the memorial service. Find other ways during the year to give the brochure to everyone in the church. Ask them to keep it until they need it. Put extra copies of the brochure in a special location in the church where people will walk by and pick one up. You never know when someone is thinking of making a gift.

Don't forget the funeral home. Every funeral home has a storage area full of brochures for making gifts to the Heart Fund or the Cancer Society. Why isn't your church part of that supply of memorial possibilities? The funeral director is the first one the family will talk to about making a memorial gift. It is usually one of the questions a funeral director asks as the obituary is being written for the newspaper. There is usually a place for visitors to sign in at each funeral home. Why not have brochures at the podium when they sign in, for members of your church, or others who want to include your church in their memorial plans?

Memorial Giving Appendix

Litany: In Memory of These

In the saints, Christ is alive and goes before us! In God's holy ones, we have seen what love can do. Let us remember God's holy ones and be thankful.

Thanks be to God.

In [here insert names of saints meaningful to your congregation] Christ made all things new.

Thanks be to God.

In fifth-grade boys who shaved their heads in solidarity with a classmate undergoing chemotherapy, through the churches in a thousand cities opening doors to the cold and hungry, in people rebuilding in the flood-devastated Midwest, "now as then" God's mighty Spirit makes for us a world of difference.

Thanks be to God.

Let us remember men and women through whom Jesus saw and touched us. [Silence.]

Let us be thankful for persons who walked the way of the Cross and conversion with us. [Silence]

Let us remember those who were the occasion for the fire in our bones! [Silence]

Let us remember those who have died from this congregation: [names are read, and the bell is rung after each name].

REMEMBERING IS AN ACT OF FAITH

In memory of _____
we have enclosed a gift of \$ _____
or
In honor of _____
we have enclosed a gift of \$ _____

We would like to have this gift used in the following way:
_____ Any way the church seems fit
_____ Anyway the family has chosen
_____ For the following:

This gift is given in faith by:

Name: _____
Address: _____

Return this form and your gift to:

Johnson City Church
Memorial Fund
1234 Parkersville Rd.
Johnson City, TN

REMEMBERING
IS
AN
ACT
of
FAITH

Jesus said, "I am the resurrection, and the life. Those who believe in Me, even though they die, will live, and everyone who lives and believes in me will never die".
John 11:25

On that day this song will be sung in the land of Judah: Open the gates so that the righteous may enter in.
Isaiah 26:1-2

And in the spirit he carried me away to a great, high mountain and showed me the holy city Jerusalem coming down out of heaven from God. It has the glory of God and a radiance like a very rare jewel.
Revelations 21: 10-11

Johnson City Church
1234 Parkersville Rd.
Johnson City, TN

Memorial Gifts Say You Care!

You may want to make a gift through your church in memory of or in honor of someone.

Memorial Gifts - Sometimes a gift of flowers is not appropriate or not enough of a recognition. When the obituary suggests 'in lieu of flowers' you can make a gift through the church. Your gift in memory of someone special at the time of their death, or at the anniversary of their death, will be used to eternally remember their special contribution in life.

Honor gifts - Some people who are still living deserve to be recognized for the special person they are. Some people do not need another gift on their anniversary or birthday. But you still want them to know you care. Your gift through the church's memorial fund is a special way to say "thank you for the way you have touched my life."

Memorial and Honor Gifts

Your church leaders have selected a wide variety of giving possibilities this year to remember those who cared.

The following list is a gift suggestion list. If you would like further ideas please talk with the pastor or the chairperson of the Memorial Fund.

Pew Bibles (\$15 each)

Hymnals (\$25 each)

Computer system (\$15,000)

Habitat For Humanity

World Wide Missions

Youth Ministry

Children's Ministry

College Scholarships

***Your
Memorial
And
Honor Gift
Through
Johnson City Church
Is
A
Way
To
Say
You
Remember
And
Care***

THE ROLE OF PERMANENT ENDOWMENT FUNDS IN THE LOCAL CHURCH

"The Church is of God and will be preserved to the end of time." Remember those words from the service when you joined the church? The Christian Church is the one unique institution in our culture that can look backward 2,000 years and, simultaneously, dare to proclaim a perpetual future. How we plan the economic aspects of that future will surely determine, to an extraordinary degree, the quality of the open-ended future that awaits us.

While there is yet no consensus in the Christian community regarding the role or even the appropriateness of permanent endowment funds in the local congregation, there is a growing awareness that, properly administered, such funds can provide a welcome supplement to our resources for ministry. As you plan your tactics for establishing a permanent endowment fund in your church, it is important for you to consider how the fund will be perceived by the current membership and future generations as well.

MAKING THE CASE FOR ENDOWMENT

Because not everyone agrees that a permanent endowment fund is a positive thing, we must be prepared to state a positive "case" for such a fund. Recognize that persons may have honest reservations regarding the validity or efficacy of a potentially large pool of money in the church. Consider these issues in your interpretation of endowment funds.

DONOR INCENTIVES:

1) A permanent fund is often appreciated by donors because of the perceived consistency with the source of the gift. Major gifts and bequests (the source of most endowment funds) frequently represent a lifetime of accumulation. Donors, not surprisingly, often appreciate that such a gift not be spent "all at once". As one longtime member of a congregation expressed it, "It's taken me all my life to earn this money and it's hard for me to believe that there is any single thing that is worth spending it all right away."

2) A permanent fund often matches donor funding priorities. Many common projects in local church life involve on-going ministries - scholarships, missions, music programs, etc. Donors often appreciate the opportunity to provide regular support for a favorite ministry each and every year.

3) A permanent fund provides a wonderful vehicle for leaving a legacy. Long after the expenditure of other gifts has been forgotten, endowment funds provide an annual reminder of the faith and witness of each donor.

CONGREGATIONAL INCENTIVES:

1) A permanent endowment fund can provide a welcome alternative to the conflict often attendant with the receipt of major gifts without restrictions. Such gifts left "on the table" often generate sharp differences of opinion regarding their best use. Endowing such gifts often diffuses the situation and avoids an atmosphere of winners and losers.

2) A permanent endowment fund can provide a dramatic reduction of the pressure associated with project selection. Can we, after all, be absolutely certain that any project or expenditure will be the best use of these funds that will ever be available to us? The annual nature of endowment expenditures keeps our options open and allows for a variety of other creative financing opportunities. For example, if a major capital project is preferred by some rather than endowing a gift, consider allowing the church to borrow funds from the endowment at an attractive interest rate. This can result in the timely completion of a popular project while preserving the funds for other future purposes.

3) A permanent endowment fund can provide a receptacle for gifts in such a way that the gift is less likely to overwhelm the congregation. Many congregations recognize that a particularly large bequest, received without restrictions, has the potential to be large enough to render the current congregation financially irrelevant - at least temporarily. A proper endowment policy can limit the use of such gifts in a way that preserves the integrity of the congregations' stewardship.

4) A permanent endowment fund can provide a measure of stability and, in effect, guarantee a future for a congregation that might otherwise feel vulnerable. An inner city congregation was having great difficulty with the concept of visioning and long-range planning. "How can we plan for a future we can't assure?" the leaders remarked. Here is a congregation that desperately needs a permanent fund to encourage a commitment to its ministry. Establishing a fund that declares an open-ended future may be the first step in a larger process of capturing a vision of ministry into the future.

STEWARDSHIP ISSUES

A well-managed endowment may, in fact, allow us to "have our cake and eat it too." Over time, the endowment income stream can provide even large projects - and still have funds for future ministry too. An example of this principle is found in the chart below. A woman called a United Methodist Foundation executive to inquire what would have occurred if her church had endowed a bequest of \$100,000 received 10 years prior. Using this hypothetical situation and the Foundation's actual earning experience for that 10 year period, the executive created this chart demonstrating the annual interest distributions which would have been made and the increase in principal which would have resulted from retained capital gains. What is striking is that, over the ten years, the church would

have received nearly \$100,000 (actually \$89,807) while the original principal would nearly have doubled. This is an excellent example of the long-term stewardship function that permanent endowment funds present.

	PRINCIPAL	INTEREST INCOME
Year 1	\$100,000	\$ 6,500
Year 2	\$107,000	\$ 6,955
Year 3	\$114,490	\$ 7,442
Year 4	\$122,504	\$ 7,963
Year 5	\$131,079	\$ 8,520
Year 6	\$140,255	\$ 9,116
Year 7	\$150,073	\$ 9,755
Year 8	\$160,578	\$10,438
Year 9	\$171,818	\$11,168
Year 10	\$183,845	\$11,950
Principal Balance after 10 years -		\$183,714
Total Interest Distributed -		\$ 89,807

The way a congregation handles its own funds is a powerful exhibit or model for individual members. A church with a long tradition of immediately spending its money has little credibility in suggesting that members plan and invest their funds. Perhaps the poorest teacher of the stewardship of assets has been the very congregations who bemoan the paucity of bequests by members. Correspondingly, those congregations that have demonstrated that some gifts can have an extended, indeed perpetual, life have begun to attract contributions from members who recognize the powerful stewardship opportunity afforded by such a church.

MODELING FOR MEMBERS

A common example of congregations modeling a positive view of the concept of endowment is the fact that most churches own, rather than rent, their buildings. Whether the congregation recognizes it or not, this is the physical equivalent of an endowment. The very same rationale that the congregation accepted in electing to have a long-term orientation in its view of property is appropriately applied to financial assets in electing to endow the funds. While there are a variety of reasons why a church may choose to own its facilities, the two most common are variations on the themes of (a). long-term orientation and (b). control. We own instead of rent because our experience suggests that this is the most efficient long-term value and because we believe that such a policy provides a higher level of control of the property. Any objective analysis would suggest that much the same phenomenon is operative when we endow funds.

From a long-term perspective, the decision to retain funds and expend only the annual interest generated by the fund can provide a significantly higher long-term value. The present value of a \$100,000 bequest that the church will spend in the first year is the same \$100,000, but the present value of a \$100,000 bequest endowed and invested for both growth and current income can be much more. Assuming a conservative investment performance over the next 10 years (7.8% suggests the U.S. Department of Treasury), a steady 3.5% level of inflation, and annual distributions of the interest only, the present value of \$100,000 is \$183,845. This is merely good stewardship.

Similarly, the control issue is a significant one for many congregations. Owning your building gives you the ability to keep a good location, expand your facility as needed, and adapt to current reality. Endowed funds offer a corresponding level of control and flexibility. Owning a fund allows the church to benefit from a positive investment climate, to achieve long-term growth in excess of inflation, and to leverage other funds.

After considering all the potential implications of your congregation's endowment fund ministry, it is hoped that you will see the potential for a positive influence on your financial program. A well-managed endowment fund can provide a salutary boost to your current funding.

THE THREE STAGES OF ENDOWMENT DEVELOPMENT

Congregations progress through identifiable stages and phases of their endowment ministry. This is not to imply that one stage is qualitatively superior or preferable to other stages. Rather, it merely points out the importance of recognizing which stage you are in for this will determine the appropriate focus of this year's endowment ministry.

These three phases can be easily remembered as the "three 'P's'." The three phases each have a descriptive name beginning with the letter "P":

1. Positioning
2. Programming
3. Promoting

POSITIONING

The first stage of any endowment program, Positioning, consists of preparing the appropriate atmosphere for a permanent endowment fund to grow and prosper. In agricultural terms, this is the equivalent of preparing the soil and ordering an adequate quantity of seed and fertilizer so that there can be a crop. In functional terms, the positioning stage consists of putting in place the necessary environmental conditions for the endowment to flourish and provide a positive influence upon the congregation's ministry.

Among the most important conditions in positioning your endowment program properly is the existence of necessary approvals or permissions from the church's administrative bodies. This can take the form of creating an approved Endowment Fund Policy statement. Until you have developed, drafted, and enacted your policy you have not really given permission to your donors to contribute to the endowment. Moreover, you have created an ambiguous message your members must decipher - "Guess what we would do with a major gift from your estate?" This is clearly not a message you would choose to present to the members of your congregation, but the lack of a clear policy statement is the *de facto* equivalent of such a declaration.

In the development of your policy statement, care should be taken to address at least three common concerns of potential donors:

A. How does money get into the endowment fund? Is the burden upon the donor to specify that they wish their gift to be permanently endowed or does the church's policy allow for endowment automatically if the gift is a bequest or other planned gift? Donors do not necessarily prefer either situation but they appreciate "fair warning." A

donor who definitely wants a gift endowed will specify such if they know they can and a donor who does not favor endowing their gift can do the same. Either way a clear policy statement eliminates much of the ambiguity that exists for donors, and experience suggests that ambiguity is the very worst environment for action.

B. What happens to the money once it gets into the endowment fund? Many potential gifts are lost here because the donor's concerns about the management of the funds have not been adequately addressed. At a minimum, your policy must describe WHO will be responsible for the investment of the fund and HOW the fund will be invested. Of course, you cannot be too specific here but, in general, is it your intention to give this responsibility to an internal body such as the congregation's trustees, or will you seek outside investment counsel such as your denominational foundation or a bank? Many churches have grown to appreciate the advantage of professional fund-management counsel, whether provided by a for-profit organization or a church-affiliated organization. Either way, your members will know that you are committed to a high degree of stewardship and fiduciary responsibility for the fund's management.

C. How does money get out of the endowment fund? Many churches fail to give adequate information to this matter and create two unfortunate results. Not only do donors get the impression that this matter has not been adequately considered, the congregation itself often flounders along for years without resolution to an important strategic decision.

Among the issues that should be decided prior to the receipt of the first gift to the endowment fund are the considerations of:

- 1) Income eligible for disbursement. Will you allow all current earnings to be disbursed, or will you intentionally reinvest some of the earnings to replace the inflationary erosion of value? Will you make this determination by examining the total returns and adjusting for inflation or will you address this matter some other way such as spending current interest and retaining capital gains?

- 2) Projects eligible for funding. At the heart of this determination is the matter of how dependent you will allow your congregation to become on endowment income. Most of the mythology that exists about "The Church That Had Too Much Money" can be traced to inadequate limitations at this point. Healthy congregations severely limit the ability of future generations to become dependent upon endowment income for their operations. This is commonly done by restricting the appropriate components of the church's current ministry that will be eligible for endowment fund support. One method that can free your church from inadvertently crippling a future generation is the "Principle of Shared Responsibility." This principle simply declares that it is the responsibility of each generation to fund its own current ministry and to leave the next generation better positioned for its ministry. This suggests that endowment income

should not be used for basic expenditures and also that future generations should not be saddled with inadequate or poorly maintained facilities.

3) Will income be allocated according to formulas, i.e., 50% of income for building maintenance, 50% for program, or will a committee award income based on some other criteria? It is often a good thing to be as clear as possible here, both for the benefit of potential donors but also to avoid future conflict within the committee.

Some may observe that this "Positioning" stage seems abstract and heavily administrative. It is that, of course, but it is also absolutely vital. Countless congregations have experienced painful "false starts" when they have attempted to skip over this necessary step in the development of a positive endowment program. Please do not attempt to force the process faster than is practical. Take your time. Get a good start including a broad consensus regarding policies and procedures. You'll avoid inestimable future difficulty and conflict if you merely take the time to position your church to promote and receive permanent endowment gifts.

PROGRAMMING

Once you have created the appropriate environment for an endowment program, you are now ready to assist your members in discovering how they may contribute to the endowment. A series of programs highlighting methods through which persons may participate in building your fund. Events that can be helpful in introducing the congregation to the concepts of planned giving include: (A more detailed discussion of these events is found in chapter VIII)

A. Wills Clinics

A Wills Clinic provides basic information regarding the role of wills in estate planning. The content of the program will include much that is unrelated to planned giving vehicles but the point of the event is motivation to have a functional will. This has enormous planned giving implications since a donor without a will is unable to make any bequest at all.

B. Estate Planning Seminars

Estate Planning Seminars are primarily aimed at those who have done some basic estate planning and may already have a current will. The content of the workshop should include trusts, durable powers of attorney, and other more advanced topics.

C. Retirement Planning Seminars

Retirement plans often include problem-solving situations where planned giving vehicles can play a helpful role. Conversion of investments from growth to income orientation offers a wonderful context for charitable remainder trusts and other life-income giving strategies. By providing the retirement planning information, your church will be able to assure the inclusion of such information into the content.

D. Financial Planning Retreats

Americans of all ages are experiencing unprecedented difficulty in handling their wealth. With record numbers of personal bankruptcies and amounts of credit card debt, our members are fairly crying out for guidance. On the positive side, many persons are doing their estate planning at an earlier age than ever before so it becomes vital to engage them at an earlier stage of their life. Financial planning retreats offer a positive setting for "value-based" planning, a great opportunity for Christian stewardship to be incorporated.

PROMOTION

The final stage of endowment development is open-ended. The need for Promotion will never cease. Indeed, one significant difference between congregations that have had success in developing a major endowment fund and those who have not is usually the degree of promotional activities and the duration of such promotion. Let it be stipulated that planned giving can not be done in the church as an "emphasis" or quick fix solution. Appropriate promotion requires a sustained, even repetitive, level of promotional activity.

An effective program of endowment promotion will involve a multi-media approach to the task of keeping the issue of planned giving (and especially its implications for the endowment fund) before the congregation. Try to balance your promotional efforts by including these critical components:

A. Events - This is, in reality, a continuation of the Programming stage of development. Healthy congregations schedule at least two planned giving programs annually. Don't worry about the number of persons who participate. Recognize that those who have a "readiness" for such programs will be a moving target. If you schedule a Wills Clinic, for example, you may find that 8 persons will attend. Schedule the same event six months from now and a different 8 persons will come. What accounts for this? In the words of Joseph Heller, "something happened." Somebody has died, been born, married, divorced, got sick, got rich, retired. Any number of life events can raise the readiness level of your members. The trick is to have planned giving programming with sufficient regularity that you offer the help at a time when persons are open to it. See the sample schedules in the chapter on promoting your planned giving program for sample two and three year schedules.

B. Media - Strive to involve a multi-media approach. Use all existing media before you attempt to exploit new ones. Take a quick inventory of all the media currently available to you. Does your church publish a newsletter? Resolve to make regular use of it. Every Sunday the worship bulletin offers an inexpensive vehicle to communicate with the most active members of the parish. How about designing a logo or a regular liner, like "Remember Asbury Church's Endowment!", that you could run virtually every week. Check the chapter in this manual on resources for photo-ready samples of clip art and full-size bulletin inserts.

In addition to the existing media mix, consider developing an inventory of brochures highlighting the endowment fund itself, as well as, separate brochures featuring planned giving topics. The point of these brochures is not to saturate the congregation with such publications but, rather, to have specific assistance available for those who may inquire or become identified as genuine prospects for planned gifts.

C. Direct Mail - While something you may wish to experiment with, the cost of direct mail renders it risky for mass consumption. Use mass-scale direct mailings primarily for "prospecting" purposes and for announcements of changes in policy or the initiation of the fund itself. Use targeted direct mail packages to communicate with smaller constituencies such as those who have attended Wills Clinics or other programs. Always include something in your direct mail packages which can be returned to indicate interest - a coupon or response card that requests information can be especially helpful.

D. Donor Recognition Devices - Some of the best promotion comes from the very donors who have already contributed. Consider offering something of a recognition premium that donors will display or wear in recognition of their contribution. Why not design a lapel pin or similar piece of jewelry that members can wear to indicate they have included the church in their estate plans? Imagine the effect of a member inquiring of another member what the lapel pin represents and discovering that it is awarded to those who have remembered the church. Doesn't it seem likely that such a member would be positively motivated to obtain a pin as well? This is great promotion.

E. Reports - As soon as it is practical, make your first grants from the endowment fund and IMMEDIATELY publish an article describing what you did. Brag shamelessly about the good that has been accomplished by the gifts you have already received. This is the best way to demonstrate that positive outcomes are being derived from the fund. Regular reporting of acquisitions and enhancements made possible by the endowment fund serve both as reminders and motivators for additional contributions.

YOU WILL NEVER BE FINISHED!

Recognize that there is no fourth stage of endowment development titled, "Sit back and wait." Healthy congregations never consider this stage because they see the need for on-going promotion and cultivation. Unless your entire plan for growing the endowment is dependent upon investment returns, you will never reach a point when no additional efforts are needed. Commit to endowment as an on-going ministry and you will find the satisfaction of watching something magnificent happen.

THE PASTOR'S ROLE IN PLANNED GIVING

While it is certainly true that the vast majority of planned gifts received in the church are contributed by lay persons, it is equally true that clergy play a vital role in encouraging such gifts to be given in the first place. Countless congregations are robbed of the financial resources which might have been theirs if only the pastor had played a more appropriate role in encouraging gifts. Because of the depth and breadth of their activity pastors are ideally situated to make a significant difference.

PLANTING TREES WHOSE FRUIT WILL BENEFIT OTHERS

One fundamental issue in the role of clergy is the understanding that long-term ministries such as planned giving must be understood to be for the congregation's long-term good. Often clergy are tempted to avoid this ministry since its benefits will accrue to one's successors. Nevertheless, even itinerant pastors would do well to recognize that, if every pastor planted trees, every church would enjoy fruit. Perhaps your efforts will only benefit the ministry of some other pastor, but perhaps you may be the beneficiary of the efforts of a colleague who is just now working to develop a ministry you will inherit at your next congregation. Such collegial efforts are more than appropriate; they are in everyone's best interest.

1. Make Your Own Plans First.

It is a difficult thing indeed to encourage others to do that which you yourself have not done. For this reason your efforts will be most fruitful if you begin in your own backyard. Consider the ministries you wish to support beyond this life. Perhaps there is no single local congregation toward whom you wish to direct a bequest or other planned gift. Rather, you may wish to consider a gift to your denominational foundation or similar denominational unit. This gift could be endowed to provide annual gifts to each of the churches you have served, even those you have not yet served. In any case, you will do well to make your own gift before you consider leading others to do so.

2. Recruit a Good Team.

Effective planned giving ministries are too important to reside within a single person, no matter how motivated and talented. Resolve to find a cadre of enthusiastic persons who will join you in developing a "world class" planned giving ministry for your congregation.

It is not nearly as important that your team include experts and technicians in estate planning or finance as it is vital that the team include "people persons" who have entree and credibility with your target audience. One church found a recently-widowed retiree provided great leadership to a significant number of senior church members. "I'm getting invitations to dinner from the widows anyway," the man remarked. "I might as well bring some endowment brochures along." Initially the man could not describe the differences between a trust and a bequest, but that was not why he was useful. His great asset was his credibility and popularity with a significant target group in the church - in this case, older

women. Perhaps you could get the same results with a woman who was herself among the target population. Similarly, you may wish to recruit from a variety of key demographic groups if your congregation is particularly large.

3. Be on the Look-Out For Planned Giving Prospects.

The difference between churches that allow planned gifts and those that encourage them is often the degree to which the leaders identify prospects. The pastor is admirably situated to identify those who have both the capacity and the affinity to include the church in a planned gift. In pastoral visitation as well as counseling situations pastors often receive clues regarding the openness for planned gifts. During the grief period after the death of a spouse, a member might indicate their interest in some sort of permanent memorial. Do not forget this information later when the grieving period has passed. Similarly, pastors often have advance notice of retirement plans and other life-cycle issues. A skilled pastor recognizes these as signs of possible planned giving activity.

4. Make Certain Planned Giving Programs Are Scheduled.

In addition to the all-church Wills Clinics and other events, assist small groups within the congregation to provide programs with a planned giving orientation throughout the year. Have a senior citizens group or Sunday School class? Why not suggest an Estate Planning Seminar sometime this year? When was the last time your couples group had a program addressing financial planning or a similar topic? The pastor can play a critical role in building this important topic into the life of the church.

5. Include Planned Giving Themes In Your Preaching.

Perhaps no opportunity for promoting planned giving is as unique to the clergy as the opportunity presented each week in the pulpit. If you do not have anything you can proclaim in a sermon it is questionable whether you really believe in planned giving. Use planned giving information as illustrative material. Make your own testimony about your estate planning journey. Speak about the stewardship of our accumulated resources. With a little effort and experience, you will find this a topic rich with homiletical opportunities. Consider these Biblical/theological issues as preaching possibilities:

- *The Old Testament concept of the Year of Jubilee. Is this 50 year cycle really a call for planned giving?
- *The Parable of the Rich Fool. Is this merely an ancient reminder of the modern concept of "you can't take it with you"?
- *The Parable of the Wise and Foolish Virgins. Isn't the point of the story to plan?

6. Make Regular Announcements During Worship Services.

Announce whenever bequests and other planned gifts are received. This is an important reminder that remembering the church in one's estate is a faithful expression of stewardship. Furthermore, the pastor's announcement gives a powerful example of positive feedback.

7. Observe An Annual Dedication Service.

On this date planned and memorial gifts should be recognized and dedicated during the worship service. Consider All Saints Day or Memorial Day as settings where these gifts are dedicated. Not only will additional gifts likely be forthcoming, but you will have demonstrated a powerful truth - these gifts to the church will not go unnoticed. Why not make a special effort to invite the family of those whose gifts are being recognized? Experience suggests that doing so cements the relationship between church and the next generation and goes a long way toward developing additional gifts.

8. Raise Other Estate Planning Issues In Worship Settings.

For example, as a part of your Mother's Day service or Festival of the Christian Home, lift up the need for guardianship for minor children. Even when younger persons create a will primarily for protection of heirs, there is a strong possibility that a charitable bequest could be included. When later revisions of an estate plan are developed it is even more likely that a charitable bequest will be included if previous wills have contained such gifts. In many states the matter of durable powers of attorney for medical matters (Living Wills) is a significant ethical issue that cries out for guidance from the church. If you discuss this issue, either from the pulpit or other settings, you will be encouraging your members to draw upon their religious faith when they do all their planning. Does it not seem likely that this will result in additional gifts?

9. Keep Files On Planned Giving Prospects.

In an itinerant profession clergy come and go. Help your successors by providing files with helpful information regarding those persons who have indicated an interest in providing for the church through their wills. These persons often need at least some level of follow-up. Who knows how many potential bequests have been lost through lack of the proper contacts. Include in the files those persons who have had an affinity for church programs - youth, music, missions - without regard to whether they have made major contributions monetarily. Many persons, while unable to give money earlier in life, would be pleased to include a favorite cause or program in their estates if only someone would encourage them to do so.

10. Keep A Quantity Of Planned Giving Brochures Around.

These are available for distribution to those who demonstrate an interest. One pastor was having coffee following a funeral service when the deceased's husband inquired if the pastor knew anything about wills. To his credit, the pastor acknowledged that he was no expert on the subject but also shared that he had a good brochure on the subject back at the church. Later that week the pastor dropped off a copy of the brochure to the widower. That simple act resulted in charitable gifts of more than \$300,000 given to the congregation from a non-member!

Clergy are ideally situated to provide effective leadership in the planned giving ministry of the church. Because you have entree in all areas of the church's ministry you will find many places where you could encourage planned gifts. Resolve to raise your awareness and be "on the lookout" for opportunities. Your efforts will be richly rewarded and you will have rendered a significant pastoral service. May God richly bless your efforts!

PROMOTING PLANNED GIVING

If members of your church do not know about your program for endowments and memorial giving, what good is all your work?

Ruth was a missionary, a pastor's wife, and a dedicated member of her church. When she died, she left a significant estate. Most of her estate went to charity; but nothing to her church. Why not? Rev. Lockard called to air his anger. He conducted the funeral for a member of his church. A few weeks later he read in the paper where that person left over \$2.5 million to a local University. Why had he not included his church in his estate plan? In both cases, and many other examples you could list persons who died from your church this past year who did not leave a gift, people do not leave estate gifts to their church because they do not know that they can leave such gifts.

At your church's next leadership meeting ask all those who have a will to raise their hands. With hands still raised, ask those who have included the church in their will to keep their hands up, and all the rest to lower theirs. Then ask those whose hands went down to share why they have not included the church in their will. The response may provoke some interesting discussions. But, the real issue is, if the leaders have not included the church in their plans, how can you expect anyone else to include the church as a beneficiary of their will or estate plans?

Having an endowment program is a major first step. Recruiting a committee, and setting up the policy to organize the endowment program in your church is the second, and important step. All of this is of no use if no one gives you anything to fund the program.

Key steps in promoting your church's endowment program

- Paint a Vision
- Make It Year-Round
- Focus on Who will Respond
- Develop Your Plan

VISION

Paint a vision for giving through your church's planned giving program. Why should anyone make a gift to your church's endowment program? Start with your church leaders! Next week, if someone left your church \$250,000, or \$10,000, what would your church do with the money? What dreams or vision would the church leaders have for someone to give?

Show persons what would happen if they left an estate gift to your church. Establish a policy for the distribution of gifts through your church and let possible donors know what would happen if they gave to the church. People want to know that their gifts will make a difference and not just be absorbed into the regular church expenses.

Give people a vision to grab their attention. One such vision might be to help people convert their current giving into a lasting support of the church. "Your support of the church could be immortal! If you are giving \$1,000 currently to the church each year, and you left a gift of \$25,000 to the church through your will, that gift (when invested at 4%) would continue to make your gift to the church each year forever." Or, give a vision regarding the maintenance of the church: "One possibility of your giving through your will might be to the church's maintenance fund. For those of us who built the church, it is only right that we maintain the church we decided to build. A gift of \$25,000 to the endowed maintenance fund of the church will provide at least \$1,000 annually for the maintenance and upkeep of this great building."

Provide articles in the church newsletter, on a regular basis, about giving to and through your church's program of planned giving or endowments. Tell what could happen if you had these funds. Better yet, tell stories of what is already possible with these funds. If you have a scholarship fund, highlight stories about the recipients when they get the scholarship. Tell how much difference it will make in their life. Have recipients send the church letters that you can print in the newsletter twice a year about what is happening because your church's gift allowed them to attend school. After a person has graduated, invite them periodically to send letters to the church about what is happening in their life because your church allowed them to attend school.

If your church has other programs or services that benefit from the planned giving ministries, find ways to tell stories of what is happening because of gifts. People give because giving makes a difference, not just because the church says to give.

Two to four times a year have persons who have either made a gift or have included the church in their will or estate plan to share with the congregation in the Sunday worship why they have decided to make that gift of faith. When a person shares their reasons it makes the possibility of other giving more of a reality.

If you only tell persons once about your program, you could have saved your time. Any Sunday morning announcement will only reach a fraction of your congregation. Each Sunday is a different audience. Each publication will be received by members differently, according to where they are in their physical, emotional, and spiritual life. You never know when you are saying the right thing at the right time. To be effective, any program of promotion must be year-round! Have you ever seen an ad in the papers or on television only once? Share when people are ready to respond! Repetition is essential!

Include one-line stories of giving. Such 'one-liners' are given elsewhere in this book. Include these one-liners in every bulletin; newsletter, any publication that goes out from the church. The most effective one-liner is: "Have you included the church in your will?" You could even include this at the bottom of the church's letterhead.

Write articles on "why should I give through our church's endowment program?" Answer questions that people might ask: What if I give an undesignated gift? What if my selection for a gift is no longer needed? (Such an example might be a gift for the bus fund, and then the church eliminates a busing program.) Tell what will not happen with any gifts to these funds: will not go to pay electric bills, salaries, or whatever is appropriate to your church's vision. People respond better to what will happen than to what will not happen.

At some point in your overall plan you might want to consider an endowment newsletter. This may be done quarterly, but no less than twice a year. Tell stories of what is happening because of persons giving through your program. Get persons to share why they have included the church in their plans. Provide articles on ways of giving (i.e., Giving Through Insurance, or real estate, or securities). Provide a place for people to respond in the newsletter:

- I want more information about _____ (each time give them an option according to some brochure or booklet you can share with them).
- I have included the church in my estate plan.
- I would like to talk to someone about making a gift.
- Give a place for them to give you their information (name, etc.).
- Give them an address to send this inquiry.

Once a year have an Endowment Sunday observance. Select a time when attendance is usually high. Do not combine this with a memorial observance, but select a time to focus just on the endowment program. If you give out scholarships plan to present the recipients of the scholarship their awards on Endowment Sunday. Invite other persons to tell their stories. Consecrate gifts that have been received since the last observance. List the results of the grants that have come out of those gifts over the last year. Invite persons to celebrate this ministry with their commitment to "include the church," "make a special gift," or talk to a professional about making an estate gift.

Brochures are a way of life today. There is a wide variety of brochures available just for local church usage. (See appendix for a list of possibilities). Sending a letter and brochure to every member may not be the best use of your resources. Be selective as to whom you send brochures. Send them to those persons most likely to respond, or to those who have asked for a brochure on a specific subject.

The five year plan, at the end of this chapter gives an example of a time schedule in which to mail brochures. Don't just mail brochures! Always include an introductory letter about the subject and invite people to consider the possibility of giving through ways suggested in the brochure (i.e., wills, trusts, real estate, etc.) Be specific in the mailing: "Thank you for your attendance at the estate planning seminar last week. Because of your interest we wanted to provide you with more information about _____. If we can help you in any way in your faith giving, please contact _____."

Arrange to have a supply of planned giving brochures on hand at the church any time someone wants information on a specific subject. Arrange for a Planned Giving bulletin board in a place most likely to be seen by people going into or out of church. Make it colorful and use big print. Don't overload the board with too much information. Cut and paste articles from your newsletter. Put the one-liners in big print. Setup a place to display one or two of your brochures and change the selection of brochures often.

Schedule planned giving seminars for possible donors. Examples of such seminars are at the end of this chapter. People are often hesitant to speak to legal and financial planning advisors on their own. They are afraid of the potential cost, or of appearing ignorant on a given subject. A seminar will provide a person with a chance to hear a presentation, ask questions, and still remain anonymous to the advisor. For many persons this may be the first opportunity they have had to speak to a financial specialist. In one church the meeting of the men's group had three times more men attend their meeting because it was a time to talk to an attorney about Men and Estate Planning. It was also reported that men stayed around for an extra hour after the presentation asking questions of the attorney. People are hungry for information.

Plan seminars around persons interests, not just to do seminars. A seminar for "Estate Planning For Men," or "Women," or "Seniors" will get people's attention more than a generic estate planning seminar. Besides general announcements, send invitations to specific persons you think would respond to the seminar. Those who attend seminars are saying they have an interest. Follow up seminars with other publications: newsletter, letter with additional information and brochure, etc.

Although we want all persons to know about the program of planned giving, and the options for responding to their faith, all persons will not respond. Share some information with the entire congregation, but if you want a response, focus on those who will respond.

Who is most likely to respond to your church's planned giving program? First, look at those who are already givers. Those who are supporting your church with their gifts are more likely than those who are not supporting the church to include the church in some estate plan. Those who have made significant gifts over time are more likely than those who have made minor gifts. Those who are active in the church are more likely to give than persons who are on the fringe of the church's life.

The older we get the more we think about our mortality. Persons who are older (55 plus) and those who have been around the church are more likely to respond than those who are younger and newer members of the church. Single persons, especially widows and widowers, are more likely to think about a gift to the church in their estate plans than those who feel an obligation to a surviving spouse or family.

If you wait for anyone else to tell the story about giving through the planned giving program of your church, no one will give. Develop a written plan, with detailed timeline for each step in your plan. Without a plan you will not get anything done. With a plan there is hope! Remember: the first word in any plan of promotion is patience. It takes time! Just because you are ready to tell persons about the exciting possibilities of planned giving doesn't mean they are ready to respond. Plan your work! Work your plan!

The following is a five-year plan. It is designed for a church at the beginning of their planned giving plan, but can be adapted by any church. If your church is just beginning, start with year one. If your church has had a program going for some time, begin with year two or three. After you have completed the five year plan, start again with the plan with year two. Or better yet, use this model to design a plan more specific to your church and community of faith.

Five Year Planned Giving Promotional Plan

In addition to this plan, whenever someone makes a gift, get permission from the giver or their family to tell the congregation about the wonderful response of faith.

Year One

- ☐ Make a presentation to church leaders twice a year about possibilities and responses. Invite leaders to make a planned gift
- ☐ Put one-liners in all bulletins and newsletters
- ☐ Place an article in the church newsletter on planned giving each quarter
- ☐ Plan two seminars this year on Wills and Estate Planning
 - October
 - March

Year Two

- ☐ Make a presentation to church leaders twice a year about possibilities and responses. Invite leaders to make a planned gift
- ☐ Plan and celebrate a Memorial Sunday Observance
- ☐ Put one-liners in all bulletins and newsletters
- ☐ Place an article in the church newsletter on planned giving each quarter
- ☐ Send two planned giving mailings

1. To the entire congregation on the importance of estate planning and the benefits of making a gift through the church. Offer to those who request a brochure on recording your estate wishes, such as "Suggestions Upon My Death: A Final Gift of Love"
 2. To the entire congregation on the opportunity of giving through estate planning. Offer a brochure to any who respond on "Why Should I Include The Church In My Will"
- ☐ Plan three seminars
 - February - General Seminar on Wills & Estate Planning
 - May - Estate Planning For Women
 - October - Estate Planning for Men

Year Three

- ☐ Make a presentation to church leaders twice a year about possibilities and responses. Invite leaders to make a planned gift.
- ☐ Put one-liners in all bulletins and newsletters.
- ☐ Place an article in the church newsletter on planned giving each quarter.
- ☐ Plan and celebrate a Memorial Sunday Observance.
- ☐ Plan an Endowment Sunday Celebration.
- ☐ Design Two Endowment newsletters to go to everyone.
 1. Theme: "Let me introduce you to the endowment program of this church."
 2. Theme: "You Can Be A Philanthropist." Tell stories of what others are doing. Help people see how they can give.
- ☐ Send three planned giving mailings.
 - ☐ To the entire congregation on the opportunity of giving through estate planning. Offer a brochure to any who respond on "No Will No Way!"
 - ☐ To the entire congregation (in December) on Ways To Give at Year End.
 - ☐ To leaders, all on committees, and the top 25% of givers: "Giving Is An Act of Faith."
- ☐ Plan four seminars.
 - January - Can I afford To Retire? (including time on estate planning)
 - March - General Seminar on Wills & Estate Planning
 - May - Financial Planning (including Wills) for Parents
 - October - General Seminar on Wills & Estate Planning

Year Four

- ☐ Make a presentation to church leaders twice a year about possibilities and responses. Invite leaders to make a planned gift.
- ☐ Put one-liners in all bulletins and newsletters.
- ☐ Place an article in the church newsletter on planned giving each quarter.
- ☐ Plan and celebrate a Memorial Sunday Observance.

- ☐ Plan an Endowment Sunday Celebration.
- ☐ Design three Endowment newsletters to go to everyone.
 1. Theme: "Let me introduce you to the endowment program of this church."
 2. Theme: "You Can Be A Philanthropist." Tell stories of what others are doing. Help people see how they can give.
 3. Ways I can Give Through My Estate
- ☐ Send three planned giving mailings
 - ☐ To the entire congregation on the opportunity of giving through estate planning. Offer a brochure to any who respond on "No Will No Way!"
 - ☐ To the entire congregation (in December) on Ways To Give at Year End.
 - ☐ To leaders, all on committees, and the top 25% of givers: "Basic Estate Planning Tools"
- ☐ Plan two seminars this year on Wills and Estate Planning.
 - October
 - March

Year Five

- ☐ Make a presentation to church leaders twice a year about possibilities and responses. Invite leaders to make a planned gift.
- ☐ Put one-liners in all bulletins and newsletters.
- ☐ Place an article in the church newsletter on planned giving each quarter .
- ☐ Plan and celebrate a Memorial Sunday Observance.
- ☐ Plan an Endowment Sunday Celebration.
- ☐ Design three Endowment newsletter to go to everyone.
 1. Theme: "Let me introduce you to the endowment program of this church."
 2. Theme: "You Can Be A Philanthropist." Tell stories of what others are doing. Help people see how they can give.
 3. Can a Living Trust help me assure my financial security and make a gift to my church?
- ☐ Send three planned giving mailings
 - ☐ To the entire congregation on the opportunity of giving through estate planning. Offer a brochure to any who respond on Giving Through My Will.
 - ☐ To the entire congregation (in December) on Ways To Give at Year End.
 - ☐ To leaders, all on committees, and the top 25% of givers: "Giving Is An Act of Faith."
- ☐ Plan two seminars this year on Wills and Estate Planning.
 - October
 - March

SAMPLE Wills Clinic

I. Opening and Introductions (5 minutes)

Welcome
Devotional
Purpose of this clinic
Introduction of guest leader(s)

II. Presentation by an attorney (limit to 20 minutes)

What is a will?
The need for a will.
What happens when there is no will?
What a will can and cannot do.
Brief review of estate tax laws (Federal and State)
Other helpful information about wills.
(Quality audio-visual resource might be used in this presentation).

III. Questions/Answers (directed to attorney) - (Limit to 20 minutes)

IV. Summary and Statement by Planned Giving Officer (15 minutes) (your Denominational or Area Foundation or Development Office)

Why do some people not have wills?
How can one remember the church in his/her will?

V. Closing

Thank all who attended.
Invite attendees to pick up displayed/available resources.
Invite attendees to remain and discuss personal matters with leaders.

FOLLOW-UP

The key to any program like this is in follow-up. Within a week of the special program send those who attended a brochure (linked to the theme of the program) and a letter of appreciation for their attendance. Invite their response to the event and see if there is any additional information they need.

SAMPLE Gifts and Wills Workshop

(This workshop might be conducted by a planned giving officer, such as your area or conference foundation director or development officer.)

I. Opening (15 minutes)

- Welcome
- Devotional
- Purpose of this workshop

II. Introduction to "Planned Giving"

- Definition of a "Planned Gift"
- Brief introduction to "Estate Planning"

III. My Will - An Act Of Christian Stewardship

- What is a will?
- Who can make a will?
- Who needs a will?
- What a will can and cannot do.
- What does a will cost?
- Can my will be changed?
- How often should it be reviewed?
- What about estate taxes?
- How can I remember the church in my will?

IV. Creative Gift Planning

- Cash
- Bequests and Devises (discussed earlier)
- Securities
- Real Estate
- Tangible Personal Property
- Gifts through Life Insurance
- Life Income Gifts
- Gifts through Retirement Plans
- Gifts through Business
- Change-Your-Mind Gifts
- Income Interests
- Endowment Gifts

V. Planned Giving and The Local Church

- Why "planned giving" in the local church?
- How can my church develop a "planned giving program"?

VI. Closing

- Thank all who attended.
- Invite attendees to pick up displayed/available resources.
- Invite attendees to remain and discuss personal matters with leader.
- Close with prayer.

FOLLOW-UP

The key to any program like this is in follow-up. Within a week of the special program send those who attended a brochure (linked to the theme of the program) and a letter of appreciation for their attendance. Invite their response to the event and see if there is any additional information they need.

SAMPLE
Estate Planning Seminar

(This seminar might be conducted by your conference or area foundation director or development officer or with the assistance of an attorney or bank trust officer.)

- I. Opening
(Welcome, brief devotional, statement of purpose, brief statement about services offered by your conference/area foundation/development officer.)
- II. Wills
Who can make a will?
Why have a will?
Cost of a will?
Should you draw your own will? Why? Why not?
Choosing an attorney.
Choosing an executor.
Who can witness a will?
When should a will be reviewed?
Where should I keep my will?
What about changes to my will?
- III. What Is An Estate?
How will my property be distributed?
What about taxes?
- IV. Myths In Estate Planning
"Life insurance is never taxable."
"Jointly held property always saves estate taxes."
Other myths...
- V. Marital Deduction and Federal Estate Taxes
"Unlimited marital deduction"
When to use/When not to use
- VI. What Happens If You Die Without A Will?
- VII. Trusts
Advantages/disadvantages
- VIII. Power of Attorney
A Power of Attorney is a legal document giving another power to act on your behalf.
- IX. Living Will
A Living Will is a document that expresses your wish to die a natural death rather than have any medical procedures or intervention which would only postpone the moment of a death by artificially maintaining or taking the place of a vital function.
- X. Providing For Church and Charity
 - A. Gifts by will
 - B. Gifts of securities
 - C. Gifts of government bonds (E, EE, H)
 - D. Life income gifts
 - E. Income gifts through trusts
 - F. Gifts through life insurance
 - G. "Payable on Death" gifts (bank accounts, etc.)
 - H. Personal property gifts
 - I. Real estate gifts (current and/or with life estate retained)
 - J. Other gift ideas

XI. Closing

Distribute resource materials.

Invite attendees to remain for questions/answers.

Offer to meet personally with attendees at a later time and place.

Offer to add attendees to the mailing list of the conference/area foundation/development office.

Close with prayer.

FOLLOW-UP

The key to any program like this is in follow-up. Within a week of the special program send those who attended a brochure (linked to the theme of the program) and a letter of appreciation for their attendance. Invite their response to the event and see if there is any additional information they need.

PLANNED GIVING PROMOTION RESOURCES

PLANNED GIVING PROMO ARTICLES

Remember The Church In Your Will!

A Christian believes in stewardship as the most appropriate way to deal with wealth. Allocating a portion of what we earn and what we own to be given to God through the Christian Church has proven to be a faithful witness for many. When you meet with your attorney to plan your will, remember to include the many ministries of your local congregation as a beneficiary of a portion of your estate. Consider providing a certain percentage, perhaps a tithe of your estate. Many faithful members consider the church to be like family and, accordingly, include the church for a share equal to that given to other family members. For example, if you intend to divide your estate equally among your three children, why not divide the assets into four parts and give equivalent amounts to children and church? Remember especially the permanent endowment fund of our church as a means to provide perpetual support for your favorite ministries.

Make Yours A Christian Will!

It is no accident that a will is called a Last Will and Testament. A Testament is your testimony. It says what you believe, what you stand for. It can say more about you than anything else because what we do with our money may be the most eloquent statement of all regarding what we truly believe. Have you remembered the Church and other Christian causes in your will? If not, you may not have made a Christian will. Make certain that your attorney knows your intentions to make a clear statement with your will. Make certain that you leave a testimony that leaves no doubt about your faith or commitments.

What Will They Say About You When You're Gone?

An old song used to plead, "Please don't talk about me when I'm gone". In fact, it is most likely that folks will speak about us when we are gone whether we like it or not. The real issue is, what will they have to say? Providing for the causes and institutions that have been meaningful to us during life can be a most effective means of giving our friends something to remember us by. When you remember the church in your will you leave more than money. You are leaving powerful evidence that your life accomplished something significant and lasting. Then, when folks think of us, they will have something positive to say.

Mary Died Too Soon!

Mary lived a full and rich life. She raised a fine family, established an admirable career,

was active in her local church. Mary only made one major mistake - she died too soon! In spite of all the fine things Mary accomplished, she failed to remember to plan her estate to assure that her assets were allocated according to her wishes. How sad that a beloved niece received no inheritance, a favorite ministry received no support, and her local church received not a penny simply because Mary failed to get around to planning her estate. Don't be like Mary. Take the time to make a proper will that demonstrates your wishes. Remember the loved ones and favorite causes that mean so much to you in life. Then, whenever death comes, it will never be too soon.

FIVE COMMON (BUT NOT VERY CONVINCING) EXCUSES FOR NOT HAVING A WILL

1. I don't have enough in my estate to make it worthwhile.

How much does it take to be "worthwhile"? Do you even know how much you have? It is a sad irony that many persons who don't believe they have a large estate might think otherwise if they only knew the extent of what they had.

2. I own everything jointly with my spouse.

Joint ownership is often a very effective estate planning tool but it is seldom effective as a substitute for a will. Even if you are fully content to leave property to your spouse, what about the distribution of the property when the surviving spouse dies? Since the surviving spouse will need to make a will anyway, why not prepare wills while both of you may participate?

3. I might want to change my mind after a will is in effect.

Changes in wills are both common and proper. Amendments to a will, called codicils, are a simple and inexpensive way to revise your will to reflect your current wishes.

4. I've arranged with my children to handle the distribution of my property.

Even the best intentioned children may forget exactly what you wanted done with a certain asset. Others may decide your wishes no longer "make sense" and may overrule your intent with a plan of their own.

5. The law says my children will inherit my property equally.

Even if it is true that you'd want your estate distributed exactly as the state might direct, what about bequests to charitable organizations or non-relatives? Christians who have given regularly to their church and other Christian causes presumably will want to do so out of their estate. Without a will, however, no gift will be made.

There are countless other excuses as well, but the point is still the same - most people **NEED A WILL!** If you don't have one yet, why not make an appointment with your attorney today?

A QUICK QUIZ ON ESTATE PLANNING

(Test your knowledge of estate planning with these questions)

1. A will is a good way to avoid the need for probate. T___ F___
2. Because married couples own most property jointly, it is a good idea to have a joint will. T___ F___
3. Careful estate planning can save money for your heirs. T___ F___
4. If I don't owe federal estate tax I won't owe any state inheritance tax either. T___ F___
5. It is possible to receive a tax deduction during one's lifetime for a gift the church will not receive until after one's death. T___ F___

Answers: 1)False 2)False 3)True 4)False 5)True

FINANCIAL PLANNING - BUILDING A BETTER TOMORROW

I once heard a management consultant say "We plan, not to determine what we're going to do in the future, but to determine what we're going to do today." How true. Financial plans are like that. While the orientation of a financial plan may be some time in the future, the implementation of the financial plan always occurs in the present.

Many thoughtful Christians are discovering that outstanding future goals must be undergirded with appropriate current plans. What are the plans you have for handling your finances? Retirement income, college for children and grandchildren, that once-in-a-lifetime travel opportunity - these are the goals of many of us. But where does the Church fit into your plan?

PLANNED GIVING ONE-LINERS

1. Preparing an estate plan is good Christian stewardship - saying thanks to God, expressing your love and concern for family, and showing charity toward others.
2. Remember, if you have no will or trust, state laws will determine who will inherit your property at your death. State laws do not include your Church or any other charity as a beneficiary.
3. Consider naming the Church as a beneficiary in your Will or Living Trust. The gift could be a set dollar amount, a percentage of your estate, the remainder after other gifts are made, or a gift of part of the estate left if designated heirs are deceased.
4. Did you know that there is no limitation to the size of a charitable gift that may be given to the Church at the time of your death. No matter how large, the gift is deductible for Federal estate purposes.
5. Think about the part you want to play in our Church's future. You have the opportunity to support this ministry in many ways. Naming the Church as a beneficiary in your estate plan or the making of an endowment gift can assure your continued participation in this ministry far into the future.
6. Giving to the Church through your Will is the most common way to continue your support beyond your lifetime. When your estate plan is prepared, consider a gift to the Church.
7. Life insurance is a way to make a larger gift to the Church than you might otherwise be able to afford. Consider naming the Church as a beneficiary of any insurance policy.
8. Our trustees and pastor enthusiastically support planned giving to our Church. Contact them for more information.
9. We accept endowment gifts. The income will be used for special Church projects. The principle of the gift is never spent and continues indefinitely.
10. Anyone can give an endowment gift. Any size gift may be made as an endowment. You may do this now or as part of your estate plan.
11. Under current laws, appreciated securities and real estate can be deductible for federal income tax purposes at their present fair market value. In most cases, the appreciation is not taxed to you at all. Consider using such outright gifts to pay your pledge, for special gifts, or toward an endowment.

12. Consider gifting property to the church now, but keeping the annual income until your death. You may even give your home and keep the use of the property until your death. A current federal income tax deduction is available for the value of such gifts to the Church.

13. A gift can be made to the church by selling the church an asset at less than current value. The difference between the sales price and the current value is a gift to the church when it buys the asset. This gift can qualify for a federal income tax deduction.

14. Consider transferring the ownership of some of your life insurance to the church. The cash value, when given, plus the annual premium, can qualify for a federal income tax deduction.

15. Consider naming the church as a beneficiary of your life insurance or retirement plan. If you have named other beneficiaries, consider naming the church as a secondary or backup beneficiary in case the first beneficiary is deceased at the time of your death.

16. You may specify that your bank accounts are "in trust for the church". You retain total control over the account during your life. However, the property passes to the church at your death, without probate.

17. Stocks and bonds are an excellent means of making a gift to your church. You can be entitled to a federal income tax deduction, if you give these securities to the church during your lifetime. Ask your professional advisors for assistance.

18. If you are a stockholder in a closely-held corporation, consider having the corporation make a gift to the church. Like individuals, corporations can deduct charitable gifts.

19. Some corporations have programs to match gifts that are made to charities by their employees. This is a way of effectively increasing your gift to the church, if it is available. Ask your employer.

20. The church will consider gifts of jewelry, art, coin collections, antiques, mineral rights and related items. These gifts can be made during your lifetime or at your death. Contact your tax advisor for more information about how to calculate your tax deduction.

21. Retirement funds present new opportunities for giving to the church. You may want to name the church as the beneficiary of your individual retirement account or other retirement funds, in the event that you or other family members die before receiving all of the funds.

22. Real estate offers opportunities for giving to your church. Consider the gift of vacant land, condominium, commercial property, home, farm, or other types of real estate. You could be entitled to a federal income tax deduction for the fair market value of the property at the time the gift is made.

23. Consider making a gift of your personal residence or farm now and continuing to live there until your death. An immediate income tax deduction may be available for this arrangement. Maintenance costs might also be shared. At your death the property would be available for church use.

24. Trusts allow you to make a gift to the church in the future. You may set up the trust now, keep the income for yourself or other beneficiaries as long as you choose, or for life. The church would receive the property after that. Current income tax deductions can be available.

25. Charitable Remainder Trusts or Charitable Lead Trusts allow you to make a gift to charity of income or principal, while keeping one or the other for yourself or other beneficiaries. We urge you to investigate these possibilities with your tax advisor.

26. Memorial gifts meet two important needs at once. They allow you to express your feelings at the loss of a loved one. In addition, the gift to the church helps support its ministry. Appropriate cards are sent to the bereaved family indicating the fact that your memorial gift was made (but not the amount).

27. Our pastor enthusiastically supports the church's planned giving program. If you are interested in making any special gifts to the church, feel free to discuss this with our pastor. The pastor will help put you in touch with appropriate advisors.

28. Have you received an inheritance? If so, consider gifting part of the inheritance to the church, in memory of the loved one who remembered you. You can make this gift now or in your estate plan.

29. Consider making an endowment gift to the church for a scholarship fund or other memorial in the name of your family. In this manner, your family name can live on forever. Feel free to discuss with the pastor any special programs or projects you would like to support.

30. If a special friend or relative precedes you in death, consider commemorating this individual through a memorial gift to your church. This will show your appreciation for this treasured relationship and help the church. An acknowledgment card will be sent to the surviving family, letting them know of your gift, without disclosing the amount.

31. Consider giving the use of your property to your heirs for the duration of their life, but having the property left at their death pass to the church as a memorial. Your surviving beneficiaries will have the use of the property for their life. The property will help support the ministry of the church after their death.

32. Did you know that the state has made a Will for you if you have no Will yourself? These laws might not leave your property to the people you wish. These laws definitely don't leave any property to the church or any other charity. Shouldn't you prepare a Will or Living Trust?

33. How long has it been since you updated your Will? Does it carry out your wishes? Does it leave any gift to the church to carry on the ministry after your death?

34. You can share your faith beyond your lifetime by signing your estate planning documents now. You will have the satisfaction of knowing that whatever you do not use in this life, will continue in ministry after your death.

35. Have you written and signed a Will or Living Trust? The state will do it for you, if you don't. These state intestacy laws do not include any gifts to the church.

36. When you make your estate planning documents, consider naming the church as your final beneficiary.

37. There are many reasons to update your estate planning documents. One is to include a gift to your church.

38. Have circumstances changed since you last updated your estate plan? Do your current estate planning documents carry out your commitments to your church? If not, amend your documents now.

39. Did you know that an estimated 70% of all people who die do not have a Will or Living Trust? Without proper estate planning, no charity can receive gifts from your estate. Be sure your estate planning is up to date. Do you know who your heirs will be? Is your church a beneficiary of your estate.

40. Proper estate planning can reduce administrative time, expense and inconvenience. Document your estate planning properly. Consider giving the church the administrative costs you could save.

41. Remember your church in your Will and Living Trust.

42. Who needs estate planning? Every adult who is legally competent, that owns anything and cares about who receives it at the time of their disability or death. In addition, estate planning is necessary for anyone who wants to leave a bequest for the church.

43. Have you moved to another state since signing your estate planning documents? If so, consider having the documents checked by an attorney in the new state. In addition, consider naming the church as a beneficiary.

44. Your Will is the proper place to name the guardians for your children. Pick your guardians yourself, rather than leaving this decision to the probate courts. In addition, consider naming your church as a beneficiary.

45. Who will receive your property if you and your immediate family are deceased? Consider naming the church as the final beneficiary in your estate plan.

46. Good stewardship requires us to think of the future. Have your estate plan prepared now and include a gift to your church.

47. Avoiding probate or minimizing estate taxes at death require proper planning. When you are doing this planning, consider making a gift to your church.

48. The gifts you make in your estate plan can carry on your charitable support after your death. Consider making a gift to the church in your estate plan.

49. Don't wait to have your estate plan prepared. None of us knows when his life will end. Prepare your estate plan now and remember that a gift to your church will help others even after your death.

50. Be sure that your estate planning documents are properly prepared. A homemade Will can result in unnecessary expense and delay. When your documents are prepared, consider naming your church as a beneficiary.

51. A gift to the church is a testimony to your faith and the confidence you have in the ministry of the Church.

52. Did you know that owning all of your assets jointly may result in paying federal estate taxes that might be avoided through proper estate planning? Ask your tax advisor and have your advisor add the church to your estate plans as a beneficiary.

53. The costs of having your estate plan prepared can be a terrific bargain. You may save many times the cost in taxes and administrative expenses to your heirs. The estate planning can also make it possible for you to make a gift to your church.

54. Did you know that you can name the church as a beneficiary of your estate in several ways. Consider gifting the church a specific amount, a percentage of your estate, the remainder of the estate after other gifts are made, or gifts whose beneficiaries predecease you.

CHURCH BULLETIN NOTES & INSERTS

A. What you put in the offering plate is merely one expression of your stewardship. Use your will to become a steward of your assets as well as your income.

B. Remember that you've got two pockets! Consider that our economic lives are divided into two parts (let's call them "pockets") - your income and your assets. In addition to giving from our income, thoughtful Christians remember to support their church from the other pocket as well. A bequest from your assets may be the most faithful way to be a steward of both pockets.

C. Your charitable nature could provide several attractive benefits. You could increase your income, reduce your taxes, and provide for a secure retirement simply by using your charitable interests most wisely. Call the church office for more information.

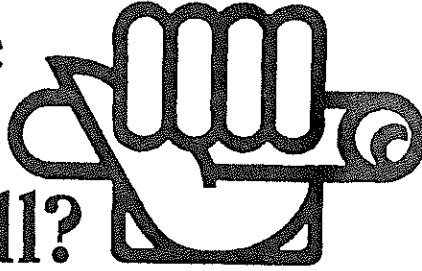
D. Did you know that you can make a gift to your church that pays you income for life? Did you know that you can receive a tax deduction now for a gift the church will receive only after your death? Call the church office to learn how.

E. Did you enjoy the choir music this morning? Providing a bequest for the permanent endowment fund of our church is a great way to say "thank you" for the blessings of great music. A portion of the endowment income goes for the support of the choir each year. Maybe your will can enable you to "make a joyful noise."

F. The offering that is received this morning is merely one way faithful Christians may express their stewardship. Remember to include the cause of Christ in all your estate planning.

G. Who will pay your tithe when you are gone? Thoughtful Christians provide for this through their estate plans. Why not plan on a bequest or other planned gift that can replace the valuable support your tithe provides for the ministry of the church?

Why Should I Include The Church In My Will?



That's a pretty big question. It's really a question concerning the place of the church in one's life. Yet, as more and more of us are learning to practice estate planning, this is a crucial question for thoughtful Christians to consider. Consider these reasons for including the church in your will.

1. It's a matter of values. Your will is your "testament"—a testimony concerning the persons and causes important to you. When we remember a particular ministry in our will it is a powerful statement that this is something we believe in. Conversely, omitting the church from our estate plan suggests it really wasn't an important part of our lives.

2. It's a matter of timing. Many gifts just can't be given during our lifetime because we still require the gift asset for our own use. Giving through our will enables us to give to the church when we no longer have need of the gift. This often enables us to make a more substantial gift than we ever could during our lifetime.

3. It's a matter of faith. Because we believe that "the Church is of God and will be preserved until the end of time," we believe that giving to the church through our will is a faithful way to provide for on-going ministry long after we're gone. This is an outstanding way to provide endowments for future ministries through our church.

Still have questions? We'll be glad to help you find answers. Just complete and return the response form below.

Name _____

Address _____

Phone _____

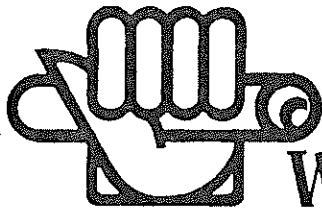
I have remembered my church in my will.

Please send me more information about charitable bequests through my will.

I would like to discuss this with my church's development officer.

**BULLETIN
INSERT**

(Clip & Copy)



YOU HAVE WILL POWER!

A Christian's will can be the instrument through which families are protected, peace of mind is achieved and miracles happen. The distribution of your estate can be a satisfying expression of your values, hopes, and faith or it can be a terrifying ordeal. It all depends upon what we do now to prepare.

Charitable bequests through a Christian will are a most appropriate expression of stewardship. Giving through your will is an easy way to make a significant gift of assets that could not be given during one's lifetime. Gifts of property, heirlooms, or investments are often achieved through a bequest.

You may wish to consider these four styles of bequest giving through your will.

1. A particular item of property. A stated asset such as one's farm, piano, or an issue of securities are easily given through one's will.
2. A gift of cash. A specified sum of cash can be designated in your will even if your assets are in another form. The non cash assets will be liquidated and the cash distributed.
3. A percentage of your estate. In inflationary times, designating a percentage of your estate for the church makes a lot of sense. Many persons give tithes of their estate to several causes.
4. Remainder gifts. You may wish to direct that the church receive what is left after other loved ones you provided for are taken care of.

There is no ideal way to create a will for everyone. The only thing that is certain is that your will will not be truly yours until you create it. Don't wait any longer. Exercise your **Will Power** today!

Name _____

I have remembered my church in my will.

Address _____

Please send me more information about charitable bequests through my will.

Phone _____

I would like to discuss this with my church's development officer.

— "Laying a good foundation for the future." I Timothy 6:19 —

BULLETIN INSERT

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USE YOUR WILL POWER

Estate planning is the top legal concern of American families. Yet more than half of the United Methodists have not made a will and far less have done any serious estate planning.

Why? The biggest reason is procrastination. People simply put it off. There are other reasons. The association of estate planning with death ranks high. A fear that the cost will be too high or the distrust of attorneys are other reasons. Then there are those who believe their estate is too small.

All of these reasons may be important to persons, but they are hollow. They are just not true. Estate planning is for the living. It is something that should not be left for the last few years of life. Estate planning and making a will won't cause you to die sooner and it probably won't make you live longer. It will give you peace of mind.

If you don't have an estate plan

— The state has one for you. If you die without a valid will your property will be divided according to this formula. This is not the way you would want it distributed.

If you do have an estate plan

— You can provide for the security of your family and also provide for the ministry of Christ through your church.

Estate planning is the responsibility of every Christian. Wise use of your accumulating resources is a trust from God.

Persons desiring estate planning need professional help and should seek the services of a competent attorney.

“Laying a good foundation for the future.” I Timothy 6:19

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THE ADMINISTRATION OF PERMANENT ENDOWMENT FUNDS

A PLACE TO START

A logical beginning point is to consider who will be responsible for the administration of the permanent endowment program in your church? The individuals that are selected will play a major role in determining the success or failure of the program. They should be a group of seven to nine persons. The people should have a positive view of the future and see the potential for enabling ministry through such a program. It is probably best to select persons that are not a part of the current financial power structure of the congregation. This frees them from some pessimism that may have developed in this leadership and also allows them to be identified specifically with the planned giving program and not the current financial needs of the church.

One of the first tasks of the committee that is selected will be to understand the purpose for creating a permanent program. If the purpose is simply to obtain more financial resources for the church and its ministry, the fund may be ill conceived and will never excite the visions of potential donors. Rather, a proper mission statement may identify the ministry that is to benefit from such a fund as well as establishing specific parameters as to how gifts given to the fund will be used. History has taught us that the congregation that does not restrict or otherwise limit the purposes for which the endowment funds can be used runs the risk of decreasing the size of current income gifts made to fund the annual cost of ministry. Limiting the use of the fund to ministry needs beyond the current expense budget will be a great plus to many potential donors.

Once the committee has developed a clear vision and reason for a Permanent Endowment Fund to be established in the church, it should present a resolution to the governing body of the church which:

- 1.) States the purpose for a Permanent Endowment Fund
- 2.) Identifies the membership of the Permanent Endowment Fund Committee
- 3.) Authorizes the current members of the committee to proceed in establishing guidelines for the program
- 4.) Identifies the powers and duties of the committee:
 - To receive and administer all bequests to the church
 - To promote the need for all adults to have a will and an estate plan
 - To educate the congregation on various planned giving opportunities
 - To provide for the regular promotion and interpretation of the fund
 - To fulfill other duties that may be assigned to it from time to time.

A COMPREHENSIVE POLICY

It is always more advisable to establish a well conceived policy to govern a permanent endowment fund than to attempt to make decisions on a case by case basis. A policy will allow the church to identify the true purpose for which gifts are solicited and ultimately used to fund ministry. This also provides the opportunity to understand a sound Biblical basis for a permanent fund and will differentiate it from a reserve fund.

Individuals seem to appreciate the opportunity to choose from some specific options as to how their gifts given to Permanent Endowment Fund will be used. If the fund has not established some broad categories from which to choose (missions, education, music, youth work, etc.) the donor will be more inclined to establish their own narrow parameters on the use of their gifts. It is clear that decisions on how to use the initial gifts to an endowment fund will influence whether or not subsequent gifts are received.

Another administrative decision is who will be empowered to accept or reject gifts to the endowment. The local congregation may be guided by its structure, state law and/or denominational policy on this issue. A common mistake is to assume that every gift offered should be accepted. As previously discussed regarding real property gifts, many liabilities (taxes, insurance, back utilities, environmental hazards) could be transferred to the church with the title to the property. Likewise, gifts that contain sufficient restrictions on their use to make them difficult or impossible to administer are better never accepted.

As various forms of gift giving are explored issues that need to be settled will be:

- 1.) Will you administer life income gifts or will you seek a corporate trustee (such as a bank or perhaps a denominational foundation)
- 2.) Will you have any minimum amounts that will need to be given to fund certain types of gifts? (Failure to establish minimums can cause an accounting nightmare in administering designated funds.)
- 3.) Who will you use a legal counsel to review documents?
- 4.) Who will you use as a broker to sell gifts of stock?
- 5.) Who will acknowledge gifts for the tax purposes of the donor?
- 6.) What, if any, restrictions does your state place on a church to receive or administer certain gifts?

The answers to these questions will form the basis of a policy that should be written and presented to the governing body of the church. The policy should also allow for modifications to be made when necessary.

INVESTING THE FUNDS

The investment of permanent endowment funds is always a source of much discussion. If this is truly a permanent fund and not a reserve fund, then the investment vehicles should have the ability to keep pace with or exceed inflation over the long term. While many church committees have felt it best to err on the conservative side of the spectrum, investment history has clearly demonstrated that an investment in only fixed income securities such as certificates of deposit have never been able to keep ahead of inflation and preserve the purchasing power of the investment. For this reason, an investment thought to be "safe" may actually be more risky over the long periods of time.

Institutional investors have long favored a blend of three types of investments, cash, bonds and common stocks. The cash is available to take advantage of investment opportunities in the market and to cover any needs to pay out principal. The bonds or fixed income securities provides a guaranteed source of income over a short or intermediate period of time (3 - 7 years). The common stocks provide an opportunity to provide long term growth that keeps pace with changes in the cost of living and increases in the cost of goods and services over longer periods of time. A mixture of these three types of assets is often referred to as a "balanced fund."

With a balanced fund approach to investing, it is reasonable to assume that over a five to ten year period a total return (growth plus income) of 9 - 12 % is quite feasible. The smaller endowment fund (under \$200,000) may find a denominational foundation or a mutual fund an good investment choice. When selecting an investment several factors should be considered:

- 1.) How long has this fund been in existence?
- 2.) Who manages the fund and how long have they been there?
- 3.) What charges are there to the investor and what is the net return after fees are paid?
(Many funds quote gross results without consideration for fees to be paid.)
- 4.) Does the fund take into account any social concerns regarding investment in firms that profit from alcohol, gambling, tobacco or other non desirable activities?
- 5.) What has been the net return of the investment over the last 3 to 5 years?

The graphs at the end of this section clearly represent the difference in investment performance over a number of years of a balanced fund over investing in Treasury Bills or other fixed income instruments. The Principal Value chart indicates that in the past 15 years an investment in a balanced fund would have increased its value almost 3 times over while an investment in a Treasury Bill or certificate of deposit would not have increased in value beyond its original investment.

The chart Income Return on Beginning Principal demonstrates that though the return fluctuates each year with market conditions, the income from the balanced fund has out paced the income from the Treasury Bills or other similar fixed income investment. In this fifteen year period the investment in the balanced fund has not only kept pace with, but actually exceeded the rate of inflation.

Though a good investment return is essential, it is important to guard against a perspective that focuses exclusively on increasing the size of the endowment at the cost of funding ministry. If the income generated by the Endowment Fund is not appropriately and regularly used to fund ministry it will be difficult to acquire new gifts to the fund.

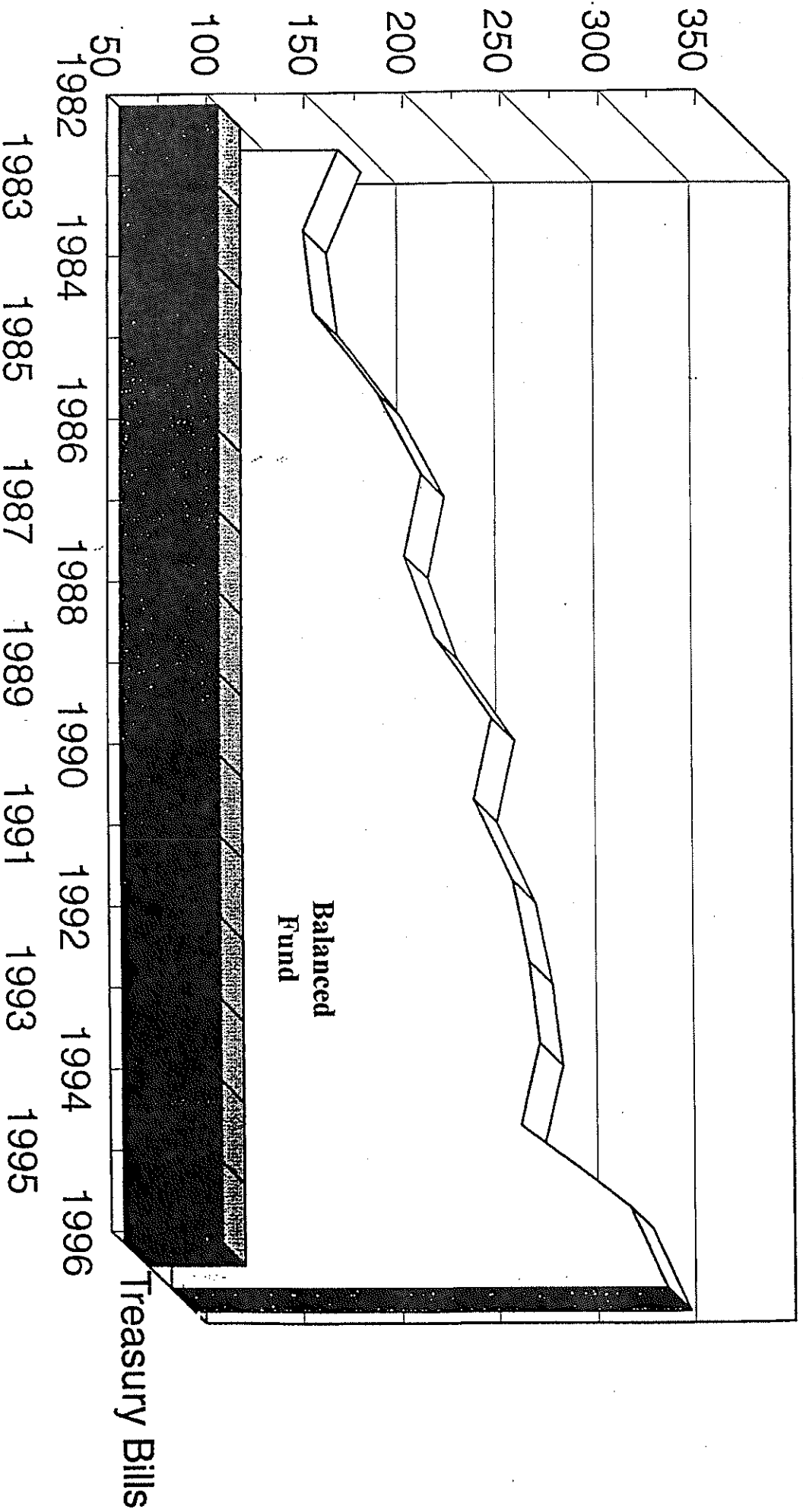
In the administration of Permanent Endowment Funds it is a good idea to have a committee that is dedicated to this task. If merged with other financial concerns or trustee matters, the administration of the Endowment can always be pushed aside for what may seem like a more pressing concern. Members of the committee should include those professionals who are familiar with some of the planned giving concepts. An attorney, stock broker, banker or other similar professional will be a great asset. Likewise, it is important to have persons who have made or have the capacity and inclination to make a planned gift as a member of the committee. These early commitments will increase the integrity of the committee and its mission.

It is important to guard against a perspective that the work of this committee is secret and no one should ever discover how much is the value of the investments. Experience has shown that this approach usually leads to speculation that the fund is larger than it actually is. The committee should constantly interpret its work to the congregation. The ministry that is funded, the gifts that are received and details regarding opportunities for giving planned gifts are all necessary pieces of information that should be provided on a regular basis. Also, it is highly desirable for the Permanent Endowment Fund to be a part of the annual audit and to have its investment holdings disclosed on at least an annual basis.

Permanent Endowment Fund Committees need to be encouraged to be patient. In the early phases of development it may be a period of years before a gift is received. However, over time, the work of this committee will greatly enhance the ability of the church to provide significant ministry.

Principal Value

15 Years Ended 12/31/96



Income Return on Beginning Principal

15 Years Ended 12/31/96

