THE EPISCOPAL
NETWORK FOR
STEWARDSHIP

Reinvigorating Your Legacy Society

Best Practices

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Learning Objectives

1. How to create and grow a legacy society
2. Planned Giving Vehicles
3. Learn about power of Planned Giving – Why every congregation should have a legacy society

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Disclaimer

This presentation is designed to provide an overview of certain charitable gift plans. It is **not intended to provide legal, tax, investment, or other professional advice.** For assistance in specific cases, obtain the services of a competent attorney or other professional advisor

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Why Create a Legacy Society?

- Long-term sustainability and stewardship
  - Pledge replacement
- Ensure ministries outlast our time on earth
  - Program support
- There are three testaments

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What is a Legacy Society

- Forms the cornerstone of Planned Giving
- Strengthens bond between donors and their church
- Engenders feeling of being rewarded
- Promotes participation of members in Planned Giving

Create and Grow a Legacy Society

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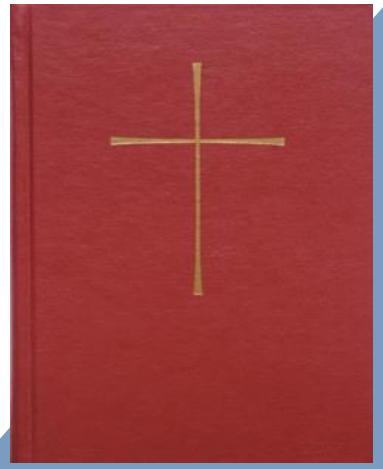
It's our Responsibility to Ask

From the Book of Common Prayer, p. 445

"The minister of the Congregation is directed to instruct the people, from time to time, about the duty of Christian parents to make prudent provision for the well being of their families, and of all persons to make wills, while they are in health, arranging for the disposal of their temporal goods, not neglecting, if they are able, to leave bequests for religious and charitable uses."



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Create and Grow a Legacy Society

Your Legacy Society

Step One

- Add language to Pledge Cards

  [ ]I have remembered [parish name] in my will/estate plan

  [ ]Please send me information about including [parish name] in my will/estate plans

- Create/Maintain a list of people who have remembered the church in their wills or estate plans
- Draft an endowment fund brochure
- Include Planned Giving info on your website

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Your Legacy Society

Step Two

- Establish a committee to found the Legacy Society
- Have the committee draft invitations
- Draft a list of members who responded positively to be included in the **Annual Parish Report** and on a **plaque** prominently displayed

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Your Legacy Society

Step Three

- **Name and thank** Legacy Society members at the Annual Parish Meeting
- Arrange a **special event**; if possible, coordinate with a Diocesan Legacy Society event
- **Publicize** whenever the church receives a bequest from a Legacy Society Member
- *Repeat, repeat, repeat*.

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Continuing Education

Available from the Episcopal Church Foundation and can be ordered from Forward Movement at forwardmovement.org or 800-543-1813

- *Planned Giving on Demand*, a collection of planned giving resources to empower your congregations mission and ministry, including FUNDING FUTURE MINISTRY by the Episcopal Church Foundation - $35
- *Funding Future Ministry: Guide to Future Ministry* by the Episcopal Church Foundation - $15
- *Planning for the End of Life: Faithful Stewards of God's Gifts* - 5 booklets: $15
- *Writing your Will: Where there is a Will There is a Way* - 10 Pamphlets: $4.25

More titles for your planned giving library, from Charles Cloughen

- *One Minute Stewardship: Creative Ways to Talk about Money in Church*, Church Publishing , Inc. 2017. Can be Ordered from Church Publishing Inc., Amazon, Barnes and Noble
- *One Minute Stewardship Sermons*, Morehouse Publishing , Inc. 1997 Can be ordered from Church Publishing, Inc., and Amazon

Create and Grow a Legacy Society

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Gift Planning for the Future of your Congregation

- How does gift planning fit into your congregation's income producing program?
- What is a gift that is "planned?"
- The most common types of planned gifts
- Gift planning that achieves donor's wishes
  - may also produce Income for the giver
  - may be used for reducing the giver's taxes

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Stewardship: The Umbrella

Stewardship is a primary expression of discipleship

- Managing God's assets and resources to accomplish Great Commandment and Great Commission.
  - Giving for today: "Estimate of giving" (pledges)– to plan mission-oriented priorities
    - Formulate a "financial statement of mission" (budget)
    - Annually or more times a year
  - Giving for the future: "Planned giving" – to provide mission driven needs outside of operating and in future years.

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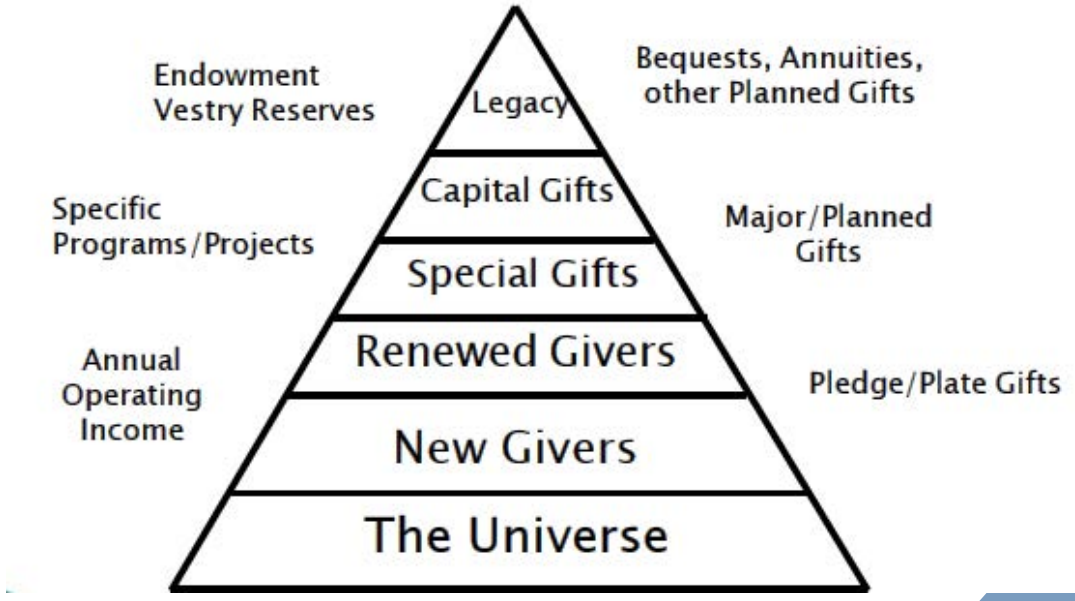
Faith-based Giving Pyramid



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What is Planned Giving?

- **Every gift is a *planned* gift**
  - Annual estimates of giving (your pledge) are planned each year
- Other kinds types of planned gifts:
  - Special-purpose gifts (i.e. building campaign)
  - Gifts made over time, or through one's estate

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Gift Planning for the Future of your Congregation

Understanding Planned Gifts

- Philanthropic gifts made to the congregation
  - Made with considerable thought and planning
- From a donor's assets
  - may be called "estate" gifts but planned during one's lifetime
- *May be given from current resources for current uses*

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Understanding Planned Gifts

- More than 50% of Americans die without a Will -- Intestacy
- Just 6% leave money to their parish or to another charity spontaneously
- Charity receives $30 billion annually (approx.) which represents about 10% of all charitable giving

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Key to Receiving Planned Gifts …

What's the #1 reason that People Do Not Leave a Planned Gift to their Church?

No One Asked

Learn to ask for Planned Gifts!

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Gift Planning for the Future of your Congregation

Why Leave a Gift to Your Church?

- To make a **significant impact on the congregation** and its mission

- Planned gifts may also:
  - Possibly **lower taxes** at death
  - Provide potential **tax savings** during one's lifetime
  - Increase **income in lifetime**
- To make an impact on family:
  - When my Will is read, **what will my children and grandchildren learn about my values?**

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Gift Planning for the Future of your Congregation

Bequests – the simplest planned gift

- A simple bequest through one's Will; this accounts for 85% of all planned gifts
- For those with an existing Will, it is a simple matter to add a *codicil* naming the parish as a beneficiary
- A bequest to the parish can be done as:
  - a percentage of the remaining assets, or
  - as a fixed dollar amount

Thrifty Iowa man leaves surprise $1.4 million bequest to his parish

DAVENPORT, Iowa – Lifelong bachelor Clair Adams, 95, of Clinton lived simply and was buried in a favorite red fleece jacket that cost $9 at Wal-Mart. What he didn't spend on himself – an estate worth a little more than $1.4 million – he bequeathed to his parish, Jesus Christ, Prince of Peace in Clinton.

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Almost as Easy Planned Gifts

- Retirement Accounts
  - Traditional IRA, Keogh, 401(k), 403(b) accounts
  - Make the church beneficiary, partial beneficiary, or contingent beneficiary
  - Can save on taxes (taxed to individual's estate as ordinary income if left to family)

- Annual Required Minimum Distribution
  - From your IRA, SEP IRA, SIMPLE IRA, or retirement plan account **when you reach age 72**
  - Non-taxable if given to church or other NPO
  - Reduces taxable income (AGI)
  - This type of gift can happen NOW! *Ask for it!*

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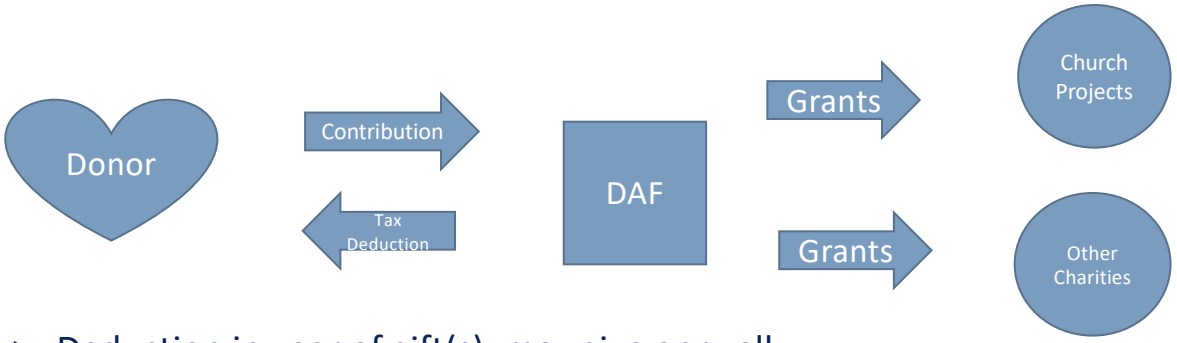
Donor Advised Funds



- Deduction in year of gift(s); may give annually
  - Grants recommended; **may be spaced out over many years**
  - Episcopal Church Foundation (ECF), Schwab, Fidelity, Community Foundations, etc. (Some have limits, re: length of spending times)
  - Low Administrative fees typically
  - Akin to family foundation without all the paperwork

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Gifts we can ALL give

Did you know that you could give a gift to your church that costs you nothing during your lifetime?

Simple bequest in will or in a trust

- Most common (85% of all planned gifts)
- Specific $ amount
- Certain % of Your Estate
- Add a codicil to existing Will
- Church name and address (for clarity)

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Gift Planning for the Future of your Congregation

Gifts we can ALL give

Did you know that you could give a gift to your church that costs you nothing during your lifetime?

- Traditional IRA's, Keough, 401(k) 403(b)
- Life Insurance
- Accounts beneficiary (POD)
  - Brokerage
  - Money Market, etc.

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Gift Planning for the Future of your Congregation

Gifts we can ALL give

Did you know that gifts of stock can be more beneficial than giving cash?

- Appreciated Stock gifts
  - Deduct full value
  - Avoids Capital Gains tax
- Provides immediate gift to your church
- Helpful for annual tax planning

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Income Gift Basics

Did you know that you could make a gift to your church and receive an income that you cannot outlive?

Basic Characteristics:

- An irrevocable gift for which *the donor receives*
  - A charitable deduction in the year of gift
  - Income for life

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Income Gift Basics

Did you know that you could make a gift to your church and receive an income that you cannot outlive?

- The **older the donor, the higher the return**
  - 2 to 3 times current interest income in CDs
  - Minimum age: 55
  - $5,000 minimum using ECF, for example
- **Easy to establish** – a simple contract between individual/couple and issuing nonprofit

- Offered by:
  - The Episcopal Church Foundation
  - Large institutions like Fidelity, Schwab, etc.
  - Community Foundations
- Most offer the same rates
- **Minimum contribution amounts** vary from institution to institution

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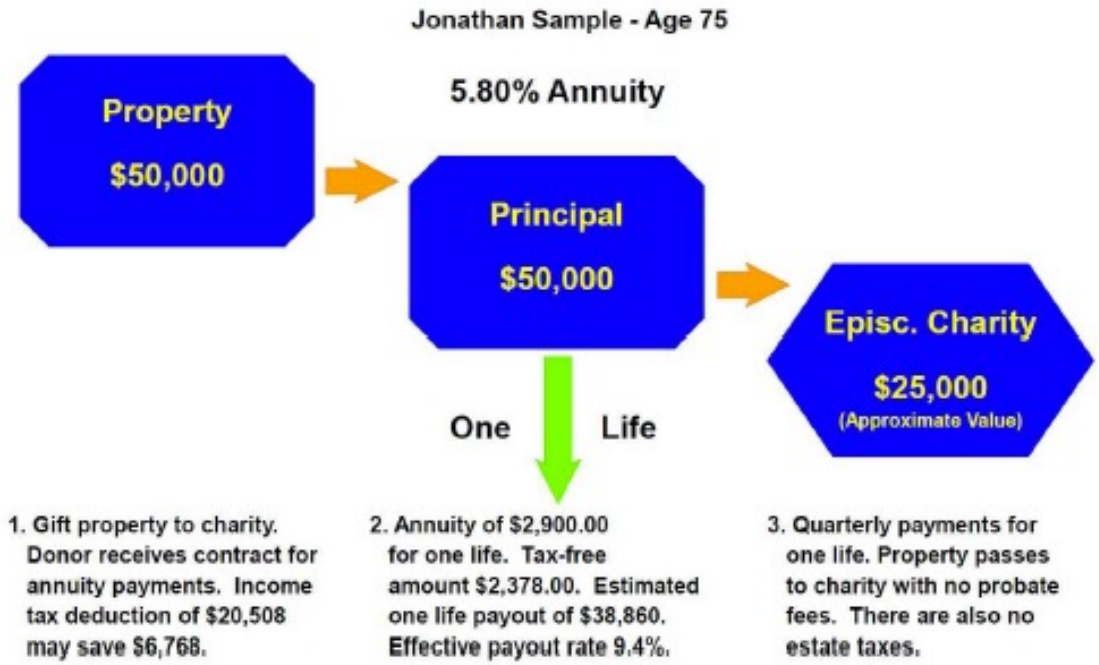
Charitable Gift Annuities



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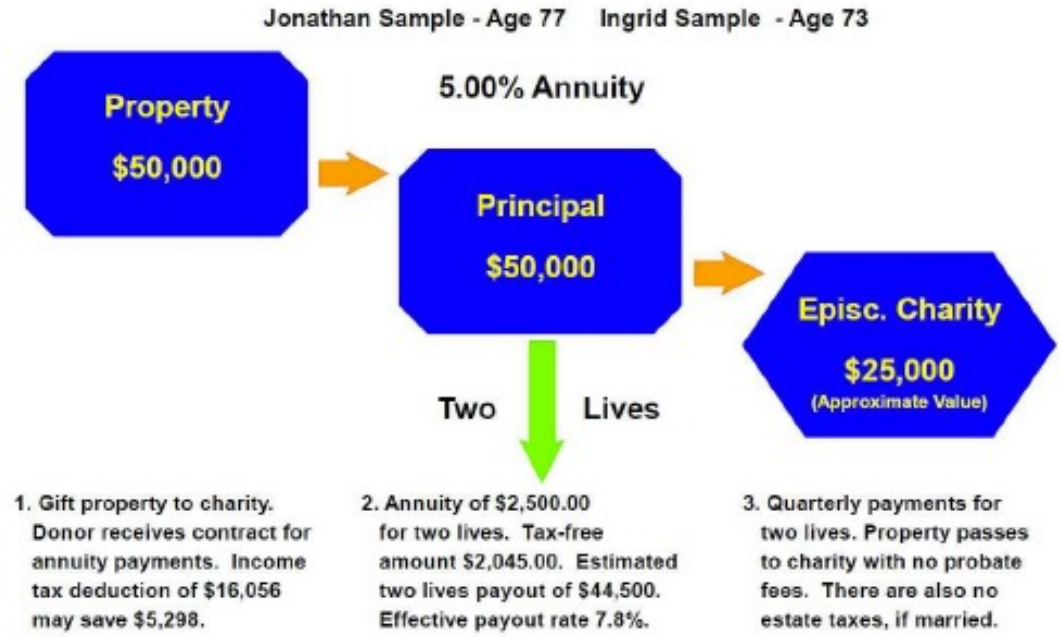

Gift Planning for the Future of your Congregation

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Other Income-Producing Gifts

"Did you know that you could make a gift to your church and receive an income that you cannot outlive?"

- Charitable Remainder Trusts (CRT's) function basically the same way, but minimum contribution amounts are higher (usually $100,000+)
- Pooled Income Funds (not currently in vogue) function similarly but have a lower contribution requirement.

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Almost-as-easy Planned Gifts

Life Insurance

- Make the church beneficiary, partial beneficiary, or contingent beneficiary

- Donate the policy itself (if not term insurance)

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Review: No Help Needed to …

- Add a Codicil to an existing Will (the attorney who drafted the Will can do it easily)
- Change a retirement account beneficiary designation
- Change a life insurance policy beneficiary designation

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Review: Some Help Needed to …

- Set up a Charitable Gift Annuity or contribute to a Pooled Income Fund
- Make a gift of a universal or whole life insurance policy
- Make a gift of real estate or other tangible property

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Review: See A Lawyer to …

- Establish a new Last Will & Testament
- Set up any type of Trust
- Establish more complex gifts, such as a Life Estate (gift of your primary residence or family farm)

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TENS Theme for 2022

As we emerge from this period of disruption and isolation in our congregations, we have felt the pain and frustration of distance, of diminished resources, and of our ability to connect in the ways to which we are accustomed.

However, as we take inventory of our spiritual resources, the strength of our community, and our capacity for generosity, we realize that there is now, and always has been, *More Than Enough*.

And taking the five loaves and the two fish, Jesus looked up to heaven, and blessed and broke them, and gave them to the disciples to set before the crowd. And all ate and were filled. What was left over was gathered up, twelve baskets of broken pieces. Luke 9:16-17, NRSV

MORE THAN ENOUGH

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Keeping the Conversation Going

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Thank you!

For more information, resources, and videos, find us at www.tens.org

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