

BASICS OF PLANNED GIVING & ENDOWMENTS

Leadership Workshop

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What is the Episcopal Church Foundation (ECF)?

Overview:

- Independent and lay-led foundation
- ECF's mission is to strengthen the **leadership** and **financial** capabilities of Episcopal congregations, dioceses, and other institutions
- ECF carries out this mission through a wide array of programs including...



Leadership Resources

- ECF Vital Practices (ecfvp.org)
- Vestry Resource Guide
- Fellowship Partners Program
- Educational Events
- Vital Teams

Financial Resources

- Capital Campaigns
- Planned Giving
- Endowment Management
- Annual Giving/Stewardship



Christian Stewardship

Essential elements:

As Christians, we believe part of our response to God's love is to support the ministry of the Christian church.

- **Vision & Mission:** Tell your story
- **Policy & Structure:** Show that funds will be safe
- **Educate & Enlighten:** Respond to the Vision



Types of Gifts

- **Ordinary** - Annual Stewardship/Annual Giving
 - Funds contributed toward on-going daily ministry and operation of a congregation/School.
- **Extra-Ordinary** - Capital Campaign
 - Special funds raised for a specific need, typically for new or enhanced facilities.
- **Ultimate** - Planned Giving
 - Gifts to support the future ministry and security of a parish/school and its mission.

What are Planned Gifts?



Planned gifts are a variety of charitable giving methods that allow the donor to express his or her personal values by integrating charitable, family and financial goals.



Resources for Ministry

Ultimate - Planned Giving

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. (BCP pg. 445)

What is special about Planned Giving?



- Future focus
- Donor passion
- A planned gift raises the congregation to the level of family in a person's estate plans
- Sensitivity to individual needs, estate planning and end of life issues
- Building trust & sustaining awareness



Types of Planned Gifts

- Bequests given through wills
 - (80% of Planned Gifts)
- Life Income Gifts (LIG)
 - Pooled Income Funds (PIF)
 - Charitable Gift Annuities (CGA)
 - Charitable Remainder Trusts (CRUT/CRAT)
- Special Asset Gifts: 401(k) & Tax Deferred Accounts, Life Insurance, Real Estate, other appreciated property
- Charitable Lead Trusts



Bequests through Wills/Trusts

80% of all planned gifts are in the form of a bequest in a will/Trust.

- Bequest types:
 - Specific Amount
 - Percentage
 - Specific Assets & Remainder
 - Contingency Bequest
- Bequest designations:
 - Restricted
 - Unrestricted




Life Income Gifts 101



Basic Characteristics of LIG's:

- Donor makes irrevocable gift
- Donor receives charitable deduction in the year of gift
- Donor receives income for life
- Remainder given to Parish/School







Life Income Gifts 101

Pooled Income Fund (PIF)

- Donor income varies based on fund performance
- Current yield 2.89%
- Minimum age: 50
- Minimum gift \$2500
- Donor may add gifts, \$1000 minimum
- No longer as popular

Life Income Gifts 101

Charitable Gift Annuity (CGA)

- Most popular LIG, nearly 90% of gifts
- Donor income guaranteed for life
- Income based on age at time of gift
 - Higher payout based on higher age
- Minimum age: 55
- Minimum gift \$5000
- Younger donors: Payments may be deferred!
- 10% of remainder to ECF to support program

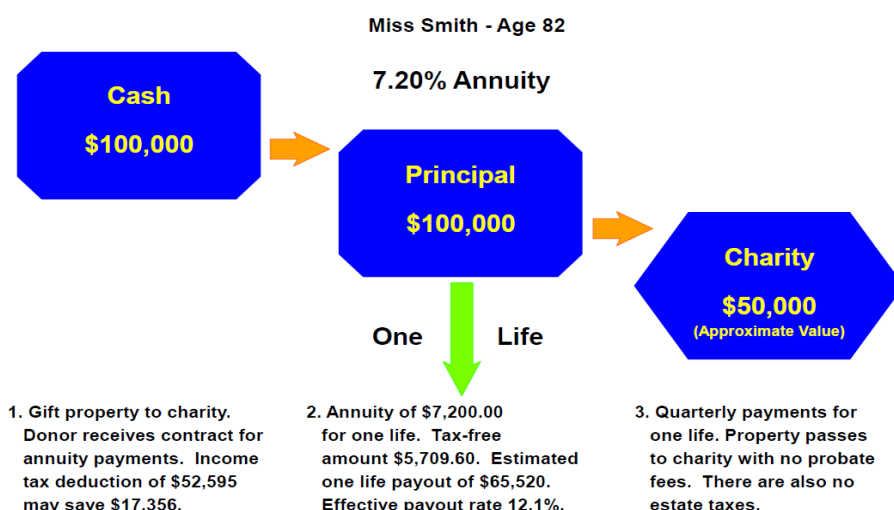
Life Income Gifts 101

Charitable Remainder Trusts

- Minimum gift \$100,000
- Minimum age: 50
- Payments set by trustee with donor input
 - Fixed Annuity (CRAT)
 - Variable based on performance (CRUT)
- ECF attorney can draft trust documents for donor attorney review
- Variety of options for appreciated assets



Charitable Gift Annuity

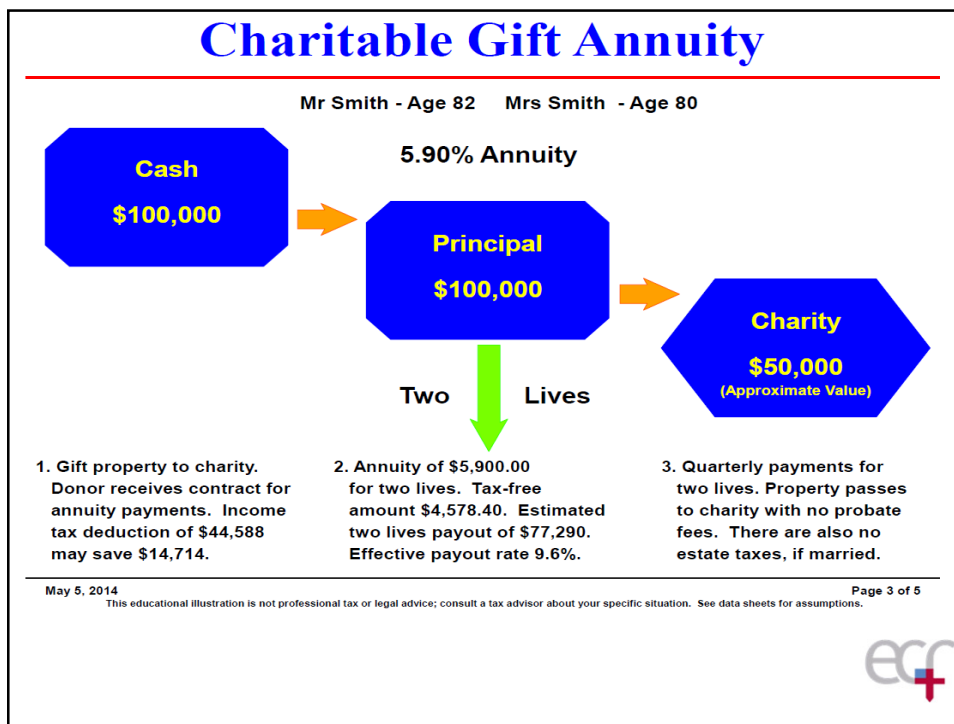


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This educational illustration is not professional tax or legal advice; consult a tax advisor about your specific situation. See data sheets for assumptions.

Page 3 of 5





Questions so far?



Endowments

What It is.

Long-term invested fund with restrictions

True endowment (donor designated),
quasi endowment (board designated)



What it is not.

Reserve funds
Collection of Trusts
Invested Funds



Why Endowments don't grow

- Lack of Structure
- Outdated Structure
- Lack of Trust
- Unclear Purposes
- No one asked (Planned Giving)



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