

Like good stewards of the manifold grace of God, serve one another with whatever gift each of you has received.

1 Peter:10



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A WILL IS THE CORNERSTONE OF A WELL-ORGANIZED ESTATE PLAN AND CAN PROCLAIM YOUR CHRISTIAN FAITH, DEMONSTRATING YOUR RESPONSE AS A FAITHFUL STEWARD TO FUTURE GENERATIONS. MAKING A CHARITABLE BEQUEST IS A WONDERFUL OPPORTUNITY TO GIVE WITNESS TO YOUR FAITH AND VALUES.

## HOW TO BEGIN

For many people making a will seems overwhelming and procrastination takes over. Yet, making decisions about your estate can relieve the stress from loved ones trying to respect your wishes. Each will is unique, and must be structured to fit the needs and estate plans of each individual and the laws of the state in which they live. For this reason, you should consult a lawyer to assist you in drafting your will and estate plan.

## ASSETS

First, list everything you own -- money, property, life insurance, pension, investments - and how your property is owned, either individually or jointly. A *Personal Record Book* is available from the Foundation to help organize the information.

## BENEFICIARIES

Next, identify and list the people, organizations and causes that mean the most to you. This is the time to reflect on the blessings you have received during your lifetime and consider your responsibilities as a steward. Try to determine how you would like to divide your assets among those on this list.

## EXECUTORS

Once you have reviewed your assets and listed your beneficiaries, it is important to name the person(s) who will see that your wishes are carried out. The executor, subject to state law, may be a friend, relative or representative from a bank or trust company. An alternative to your first choice should always be named.



## YOUR CHARITABLE BEQUEST

There are three important considerations in planning your charitable bequest to achieve your goals:

1. Will your gift be restricted in use?
2. What is the amount of your gift?
3. How will your gift be distributed?

### 1. RESTRICTED OR UNRESTRICTED GIFT

With a restricted bequest, you name the specific causes you wish to support. This could be a special program of your local church, or a particular program of the Presbyterian Church (U.S.A.), other Presbyterian-related organization, or other charities. The form of the bequest should be made with the broadest possible terms consistent with your interests. This guards against the conditions of your gift becoming obsolete.

An unrestricted bequest permits the church or institution to use your gift where the need is greatest. This allows the church or charity to respond to changing mission needs as they arise.

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## 2. AMOUNT OF BEQUEST

Once you review your estate plan, you can reasonably determine the amount of your charitable bequest. You can choose a particular dollar amount or a percentage of your estate such as a tithe of 10% to charity.

Another option is to make a charitable bequest of the residual of your estate, which is determined after other bequests have been made to your heirs.

## 3. STRUCTURE OF YOUR GIFT

The last major consideration involves the distribution of the gift to the charitable beneficiary(ies) you selected. Your bequest can be set up in several ways:

### Direct Bequest

A gift given directly to a mission cause, local church, presbytery, synod or other organization may be the easiest and most efficient way to meet your charitable goals. The gift may be restricted or unrestricted and can be distributed as a “lump sum.”

### Memorial or Permanent Fund

A bequest can be used to establish a memorial fund, also known as a permanent endowment fund, which is created and the income is distributed according to

your wishes. The principal is invested and will continue to generate income for many generations to come. The fund can be established in your name or in memory of a loved one. A permanent endowment fund can permit restricted or unrestricted use of income by your chosen beneficiary.

### Testamentary Trust

Should you wish to make distributions to multiple beneficiaries, or have concerns about your chosen beneficiary’s ability to capably invest and administer the resources designated for their benefit, you may wish to place bequeathed assets under the management and watchful administration of an independent trustee, preferably a bank or trust company. With more than \$1.9 billion in assets under management, the Presbyterian Foundation, through its wholly-owned subsidiary New Covenant Trust Company, N.A.<sup>1</sup>, provides financial planning, trust, agency, investment management and custody services to institutions, organizations and individuals.

Like other provisions within your will, you retain the authority and ability to make any changes during your lifetime. A trust created by your will (testamentary trust) is not funded and does not become effective until your death. So at any time during your life you may change the provisions of the trust by simply changing your will.

*<sup>1</sup>Investments offered are not a deposit or other obligation of, or guaranteed or insured by the New Covenant Trust Company, N.A., the FDIC or any government agency. Investments involve certain risks, including the possible loss of principal.*

### Charitable Life Income Plans

These plans provide income to loved ones during their lifetimes while deferring a gift to charity. After the lifetime of the designated income recipient, the charitable remainder will go to the named charity as you have instructed. Your estate may be able to deduct the charity’s deferred interest on its estate tax return.

Note: All plans have restrictions for beneficiaries and specific wording. It is best to seek advice from your lawyer or estate planning advisor.



## YOU CAN MAKE CHANGES

Wills can be changed at any time for whatever reason you choose. Births, deaths, changes in marital status, the choice of a new executor are some of the things that might influence your will. Your will can be changed by an amendment, called a codicil.

## FORMALIZING YOUR WILL

Once you have considered how you would like your assets distributed, and to whom, you are ready to formalize your will. An attorney should do this, so that proper language and terms are used. Employing an attorney will ensure that your intentions are clear and concise. This prevents the possibility of misunderstandings and delays in probating your will and ensures your will complies with the specific requirements of your state.

## PRESBYTERIAN FOUNDATION

For over 200 years, the Foundation has carried out our legal responsibility and fiduciary duty to ensure every donor's wish for each gift is fulfilled and funds are distributed for the purpose they were designated.

Ask your pastor for more information about including your church in your will or call the Foundation at 800-858-6127. One of our development officers will be happy to discuss any questions you may have about making a charitable bequest.

The materials provided in this guide are examples of a general and informative nature, and do not constitute advice, legal or otherwise. Through careful estate planning, you can attain your objective for providing for loved ones as well as for Presbyterian missions and ministry. Please consult your attorney or advisor for financial and estate planning advice before you take any action.

