

Faith Forward.

Gifts of a Lifetime

Ministry for Generations



“The Lord is faithful in all his words,
and gracious in all his deeds.”

—Psalm 145:13



MISSOURI UNITED METHODIST
FOUNDATION

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planned giving
endowments
grants

scholarships
church investments
stewardship services

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“Now may the God of peace... make you complete in everything good so that you may do his will.”

—Hebrews 13:20-21

GENERAL INFORMATION

INTRODUCTION

WE each pledge our gifts of time, talent and treasure when we join the United Methodist Church. Over the decades that pledge of giving in response to God's abundant gifts has usually taken the form of service, worship attendance, participation in small groups, annual pledges, special gifts in the offering plate, mission trips, food drives, and occasionally gifts to build a building.

All of those traditional gifts are wonderful expressions of faith, generosity and love. These gifts share a common characteristic – they all happen NOW.

What about the future? Does our church have a mission to fulfill beyond the here and now? Could I leave a legacy for my church that could make a difference after I am gone?

God's future is ripe with possibility and a legacy gift to the church can make a world of difference. So, the only real question to ask is, **“How can my church better inspire legacy giving?”**

The information in this booklet describes some ways you can include “future-focused” giving in the life of your church. Starting small, we suggest ways to plant seeds, assist with plans, and grow a Legacy Society that will enrich lives today and bear fruit far into God's abundant future.

Be assured that you do not have to know it all! Your Missouri United Methodist Foundation is always just a call or email away.

GETTING STARTED

MANY churches never even suggest to parishioners that they might remember the church with an estate gift. Small wonder such churches rarely receive such gifts.

There are several simple steps that any church can take right now – (no new committee, no new policy required!) – to encourage legacy gifts:

- Include on church letterhead a simple statement: *Please remember Wesley United Methodist Church in your estate plans.*
- Include a similar statement in the church newsletter, or use other “one-liners” such as: *Giving to the Church through your will or trust is a great way to share life-changing ministry with future generations. When your estate plan is prepared, include a gift to Wesley United Methodist Church.* (Find more one-liners at mumf.org)
- Remember (and celebrate) your history. Has your church ever received an estate gift? Who was that? When? Why? How do we benefit from that generosity and vision today? Create an article; use it as a sermon illustration; offer the story as a mission moment during worship.

Of course, as with any ministry, the development of legacy gifts will be most successful if someone takes personal responsibility for drawing up the “to-do” list and seeing that it gets done. Therefore, the trustees or leadership team may want to appoint a task force of two or three lay persons to focus exclusively on this special part of the stewardship ministry.

“Whoa, whoa, whoa, there! This sounds nice, but we need all hands on deck to gather the annual pledges. Won’t this activity compete with annual pledging and current giving?”

The short answer is no – and for a couple of reasons:

- **Different “pockets.”** Annual giving is typically “check book” giving – it is given out of current cash income. Estate gifts and other planned gifts are usually funded from accumulated assets such as appreciated stock, bank CDs, land, insurance policies, IRAs, or other assets.
- **Timing.** Annual gifts are committed within the next 12 months as requested by the church. Legacy gifts occur on the donor’s schedule – as life, plans, and inspiration unfolds.

GROWING YOUR PROGRAM

AS legacy giving becomes a more familiar topic within the congregation, more can be done each year to remind, educate and inspire action. Again, every step of the way your Missouri United Methodist Foundation is a resource for information, programming, materials and personnel to assist you and your congregation members.

Let's review a couple of topics related to legacy gifts: planned giving and endowments. Then we will look at ways to create your action plan.

What is Planned Giving?

Planned giving is simply giving that requires a little extra planning to accomplish. Typically, a planned gift is structured to be completed in the future – describing a gift in a will or trust document, creating a charitable gift annuity, or naming the church as a beneficiary of an IRA. A summary chart of many of the most common planned gifts can be found at the end of this booklet.

A major planned gift can be the culmination of a lifetime of faithful discipleship for the giver – and a true legacy that will bear ministry fruitfulness far into the future.

A successful planned giving or legacy program focuses on the following:

- 1) **Reminders.** Some folks may have simply not thought of the church as a place to leave a legacy. Furthermore, different people are receptive to ideas at different times and in different ways. As the Bible often notes, our eyes and ears are not always able to “see” and “hear” with understanding.
- 2) **Education.** Everyone needs a basic estate plan and there are many ways to make a charitable gift to the church that will complement other planning considerations. Help your people learn how. (Contact the Foundation to schedule an Estate Planning & Planned Giving Workshop at any time or to order free brochures.)
- 3) **A Plan for Ministry.** Some donors might be concerned that a big gift to the church would either cause a fight or discourage others from giving. The church needs plans and policies that instill trust and clearly describe how gifts will be used for life-changing ministry. Demonstrate that your

church is a great place to leave a meaningful legacy.

4) **Personal relationships.** Pastors and lay leaders must spend personal, one-on-one time with those individuals who love the church and have the capacity for major legacy gifts. Listen and understand their hopes and dreams and how the Holy Spirit is working in their lives. The donor that cares about missions may not be interested in the building and vice versa. (Foundation personnel can also be called on to meet with potential donors, especially to discuss particular gift arrangements.)

What is an Endowment?

Your church does not have to create an endowment in order to encourage and receive legacy or planned gifts. Nevertheless, a properly structured endowment fund – or funds – will attract many planned and major gifts.

An endowment is a charitable fund that provides a permanent source of income for the ministries of the church. A gift to an endowment is not spent. Rather, the earnings from that gift are spent in support of ministry – usually providing funding above and beyond the regular operating budget. If managed properly over time, the fund should grow to meet or exceed inflation and produce a growing annual income stream – a lasting legacy.

An endowment fund can be created at your church in a couple of ways:

- 1) An endowment fund can be created by the giver as a “restriction” on the gift. A bequest might state, “...I leave 10% of my estate to the Wesley United Methodist Church to be administered as a permanent endowment in memory of my late husband...” If the church accepts such a gift, it **MUST** honor the stated restriction.
- 2) The church can take the initiative to create one or more endowment funds. The existence of such funds will attract gifts and help to avoid awkward restrictions initiated by a donor. Commonly, churches carve out specific ministry areas beyond the annual operating expenses to receive endowment support. For instance, missions, building maintenance & improvements, scholarships, and music ministry are popular areas for targeted endowment support.

Of course, a donor can also create an endowment fund benefiting their local church directly at the Missouri United Methodist Foundation. Some donors and local churches specifically choose this option in order to avoid placing

the administrative duties and responsibilities at the local level.

Church endowments can provide vital support to maintain church buildings, ensure sustained funding for mission work or to enhance other ministries. The goal of a properly structured endowment program is to expand the reach of your congregation – to add to, not supplant, the annual giving of the current congregation.

Plans, policies & documents

The Missouri United Methodist Foundation maintains a number of sample and model documents addressing procedures, policies and best practices, including:

- Charge Conference Resolution to establish a local church Endowment Fund or a Permanent Endowment Committee
- Local Church endowment program Charter (comprehensive administrative policy)
- Gift acceptance policy
- Endowment spending policy
- Investment policy
- Three-year Promotional Plan (see next section)

Proper policies will not only guide the work of your local leaders, but also build trust within the congregation – your prospective donors.

PLAN THE WORK – WORK THE PLAN

WHETHER you begin with the Trustees, an *ad hoc* Task Force answering to the Trustees / Administrative Board, or a formal Permanent Endowment Committee, there are two important points to emphasize:

- 1) **Begin!** Do not let another week pass without doing something to lift up the idea of legacy giving within your church.
- 2) **Make a long-term commitment.** This is NOT a campaign. This is a long-term commitment – planting seeds and nurturing relationships year-in and year-out.

The following Three-year Promotional Plan is merely a suggestion of how various steps could be implemented. Be realistic about what your team has the time and energy to do. It is better to choose a couple of things, do them well, and do them consistently year-to-year than to take on too much and stop after a couple of years.

Some studies estimate that on average it takes about five years from the start of an organized planned giving program to the receipt of the first planned gift.

The following pages describe a suggested three-year plan for promoting legacy giving. Beginning with a one-page summary outline, the subsequent pages elaborate on specific items and include some sample materials.

A THREE YEAR PLAN TO PROMOTE LEGACY GIFTS

FIRST YEAR

Invite a Foundation representative to meet with your committee and/or the Church Leadership early in the year for an open discussion and planning session.

May Mail Letter & Brochure: “Remember Your Church in Your Will”
Target ages 40 through 70

October Mail Letter & Brochure: “The Charitable Gift Annuity”
Target ages 60 and up.

Quarterly Planned Giving articles in church newsletter

Monthly one-liners in newsletter

Estate Planning/Planned Giving Workshop (preferably in the Spring, before the May Mailing.) The May mailing is also a personal follow-up letter for workshop attendees.

Add the Foundation Logo Link to connect your church Website.

Develop policies and a brochure describing your Endowment Program. Establish one or more endowment accounts at the Foundation.

SECOND YEAR

February Mail Letter & Brochure: “The Charitable Gift Annuity”
Target ages 60 and up.

May Mail Letter with Response card/envelope & Brochure: “Remember Your Church in Your Will”
Target ages 40 through 70

November Mail Letter & Brochure: “Year-end Giving”
Target ALL Households

Quarterly Planned Giving articles within newsletter

Monthly one-liners in newsletter

Estate Planning/PG Panel Discussion Workshop (Spring or Fall). Personal follow-up letters to attendees

Memorial Observance/Service of Remembrance (Suggest All Saints Sunday) Consider a mailing to former members in other places inviting letters and gifts in memory/honor of persons in your church (e.g., beloved Sunday School teacher or music director, etc.).

Plan a “Thank You” Luncheon for those that have already included the church in estate plans or through another type of planned gift. Invite living members and family members of those who have already passed and left an estate gift to the church. Topic: Highlight Specific Ministries sustained by these gifts.

THIRD YEAR

March Mail Letter & Brochure: “Your Church Endowment Program”
Target ALL Households

May Mail Letter, Response card/envelope & Brochure: “Remember Your Church In Your Will”
Target ages 40 through 70

September Mail Letter & Brochure: “Giving Securities”
Target ages 40 and UP

November Mail Letter & Brochure: “Year-end Giving”
Target ALL Households

Pastor and/or Committee representative personally visits one planned giving prospect each month. Personal follow-up note

Quarterly Planned Giving articles within newsletter.

Monthly one-liners in newsletter.

Estate Planning/Planned Giving Workshop (Spring or Fall)

Memorial Observance and Service of Remembrance

Legacy Society Luncheon (September/October)

Annual Report (Mail to all households; Distribute extra copies at Legacy Society Luncheon)

KEEP REPEATING THIRD YEAR!

LETTERS, BROCHURES, RETURN CARDS/ENVELOPES

Letters should be personalized to address the individual (“Dear Nancy,”), hand-signed by the person or persons who are the leaders of the effort (endowment chair or pastor or other key committee person or a couple of these), and include an appropriate handwritten “PS” when possible.

The text should be written with a style and content that relate to the age and interests of the reader. Of course, unique notes to individuals can be highly personalized. But for the group mailings in larger churches, it would be helpful to craft two, three or four different letters that relate to distinct groups. For example, a letter to parents under age 50 might be different from the letter to widowers over age 70. A letter to older readers should use a larger font. All letters should express thanks, connect gifts to effective ministry with some very descriptive text, and close with another expression of thanks.

SAMPLE TEXT:

Dear Nancy,

Thank you for attending the recent estate planning workshop in the Fellowship Hall. I hope that the information was helpful. Please feel free to contact me or send in the enclosed card if there is additional information we can provide.

Your presence at this program and your support of the church makes such a difference. Last week the Vacation Bible School saw 37 children sailing the boats they made on our very own “Sea of Galilee.” (Pictures can be viewed on the church Facebook page.) As volunteer teacher Sally Jones observed, “The kids did the sailing, but the teachers did most of the fishing! Everybody got wet – and had a great time.”

I give thanks for the impact this church is having on young lives in our community. Thank you for being a part of our church family.

Sincerely,

Jane Smith

PS ***Thanks for the cake recipe!***

Enc: *Information Request Card (or a topical brochure)*

Return cards or envelopes. A simple post card or envelope (pre-addressed and postage paid) gives folks a practical way to respond. The card or envelope flap can offer boxes to check requesting more information on topics of interest. Also include the following option:

- I would like to visit with a pastor (*or committee member*) about a planned gift. Telephone: _____ OR Email: _____
The best time to reach me is: _____

Topical Brochures. The Foundation supplies a number of brochures on planned gift-related topics free of charge. You may order these online or by calling the Foundation office.

Endowment Program Brochure: After you adopt policies for one or more endowment funds, a brochure should be created which describes the purpose(s) of the permanent Endowment Fund and directs church members to seek additional information. (*The Foundation has samples and will help you develop your brochure.*)

NEWSLETTER, WEBSITE & FACEBOOK: ONE-LINERS, LINKS AND ARTICLES

The best articles about planned giving feature the PEOPLE who made the gift and/or those who have or will benefit from the gift. Another way of thinking about it is to feature the “who” and the “why” of the gift rather than dwelling on the technical “how” of the gift.

- With permission, interview folks who have made a gift commitment. Share interesting life stories and pictures, and let them express in their own words why they love the church and decided to create a planned gift.
- Rediscover your own history. A bequest received 40 years ago can still illustrate how such visionary generosity benefits future generations – and can inspire action today.
- Visit the Foundation website to view donor stories, past publications, and to download sample articles describing specific types of planned gifts. Lists of planned giving “one-liners” are also available for download.

Include information and links relating to planned giving and legacies on your church website and Facebook page. Contact the Foundation to add a quick link on your website and “like” the Foundation on Facebook.

WORKSHOPS & PROGRAMS

Annually, every other year, or every couple of years, host an educational workshop on the topics of estate planning and planned giving. As you advertise the program you are lifting up the idea of legacy giving. Do not expect large attendance. Folks generally pay attention to these topics when they are actively engaged in making plans. That is why repetition is important. This year's program will catch a different audience than next year.

The program(s) can be tailored for different groups and time slots. Some popular formats include: an after-church luncheon; the program for a Sunday School class or small group; during mid-week gatherings where a dinner meal is served; a Saturday morning coffee & donuts gathering. The program length can be 30 minutes to a couple of hours.

Foundation personnel are easy to schedule for any of these programs. You may also want to use folks from the congregation who have expertise such as accountants, attorneys, bank trust officers, and others. Or, you might want to host a panel discussion or joint presentation.

Program content includes: basic estate planning information; estate planning documents; tax considerations; planned gift information; church endowment program description.

Always remember to follow up with attendees. Send a personal thank you note with a response card. Keep track of these folks in light of future mailings and activities.

ANNUAL REPORT

An Annual Report can be a useful way to address several important and recurring functions of the planned giving effort:

1. It ensures that each year the congregation will be reminded of the effort.
2. It provides a forum to print recognition of memorials and gifts in honor.
3. It demonstrates transparency regarding the status and operation of the program.
4. It is an additional opportunity to educate and inform.

The Annual Report can be as simple or elaborate as time and budget allow. If possible, try to include pictures, offer human interest stories and provide information that affirms some of the key messages:

- This church has a great future.
- This church has a responsible plan for using large, long-term gifts.
- This church is a GREAT place to leave a legacy!

THANK YOU LUNCHEON & LEGACY SOCIETY

Initially, you may want to simply host a “Thank You Luncheon” as a one-time means of celebrating your givers and a special ministry or two. This can continue as a periodic event, but it should grow into a formal part of your means of saying ‘thank you’ and recognizing givers past and present. We recommend the creation of a recognition society, and an annual luncheon or dinner can be a festive and appropriate way to honor these devoted givers.

Consider giving the society a unique and meaningful name. Examples include the year your church was founded (The 1873 Society), a signature artifact (The Bell Tower Society), or simply the Legacy or Heritage Society.

Typically, membership will include all those persons who have either created a planned gift for the church, or given a major gift to an endowment, a building project or other mission priority. You may also want to include folks whose membership tenure, outstanding volunteerism or other contribution to the life of the church seems appropriate.

Make it special. Make it fun. Make it meaningful. Be creative and let your folks know that their gifts really matter. Consider: a testimonial from a recipient (someone who received a scholarship or went on a mission trip), a testimonial from a giver (explaining “why I give”), cast a vision for future ministry, include festive music, door prizes – whatever will make this event truly satisfying – and above all, a means of effectively saying **THANK YOU!**

As always -- Follow up with every attendee with a personal note. Also follow up with those who are not able to attend, share pictures through social media, and build anticipation for the next time.

THE PASTOR'S ROLE

As spiritual leader of the congregation, the pastor plays a significant role in creating the vision for planned giving and the endowment program. The Endowment Committee should keep the pastor informed about its activities and coordinate themes and activities whenever possible. Below are some suggested ways a pastor can help encourage, grow and sustain legacy giving within the congregation:

1. **PREACH** on Biblical themes pertaining to stewardship of all God's abundant gifts – including one's accumulated assets.
2. **TEACH** in adult education settings the subject of responsible Christian Stewardship in matters of personal financial planning and estate planning.
3. **COUNSEL** with persons as part of your pastoral ministry on the importance of wills and estate planning, especially in conjunction with premarital counseling, preparation for baptism of children, counseling at times of health crises or at the death of a spouse, and pre-planning funeral arrangements.
4. **ENCOURAGE** the formation of a "Permanent Endowment Committee" which will in turn seek to promote bequests, life income gifts and other planned gifts in the life of the congregation.
5. **EDUCATE** yourself about endowments and planned giving. Lots of information is available from your Missouri United Methodist Foundation and through the Permanent Endowment Resource Center of The General Board of Discipleship.
6. **COMMUNICATE** with church members through the various church media channels about planned giving.
7. **PROMOTE** as a service to the church membership and the larger community learning opportunities regarding estate planning, planned giving and personal financial management.
8. **DEVELOP** a long-range vision and plan for ministry by the congregation that includes ministry to future generations and the use of endowments and legacy gifts.
9. **ACKNOWLEDGE** personally and publicly the receipt of bequests and other planned gifts to encourage others and to thank the donor(s).
10. **CELEBRATE** with gratitude what faithful friends have made possible through gifts that support the ministry and mission of the church today.
11. **EVALUATE** your own estate plan. Lead by example and included the church in your estate plan.
12. **MINISTER** patiently and faithfully since this crucial aspect of Christian Stewardship takes time to bear fruit.

GLOSSARY OF PLANNED GIFTS: SUMMARY CHART

| Gift Vehicle | Income to donor | Frequency of payment | Tax deduction | Special advantages |
|--|---|---|---|--|
| Bequest in Will or Trust Planned in advance to take effect upon death. A specific amount or asset, or a percentage of estate value. | None. | | Deductible against estate or inheritance taxes, if any are owed. | Ensures assets are available should needs arise during lifetime. Can be amended or adjusted. |
| Beneficiary Designations: IRA/Life Insurance/Other assets Easy to add a charity without changing other planning documents. Takes effect upon death. | None. | | Avoids taxation as part of the estate. IRD assets avoid taxation as income to heirs. | Ensures assets are available should needs arise during lifetime. Can be amended or adjusted. |
| Charitable Gift Annuity Part gift and part annuity. Annual fixed payments based on age when created. Usually funded with cash or appreciated securities. Residue to charity. | Income for one life or two lives jointly; income can be deferred. | Monthly, quarterly, semi-annually, or annually. | Charitable gift is deductible against income tax when created. Payments are partially tax-free. Partial avoidance of capital gains taxes. | Can increase current cash flow from the cash or asset used to create. Simplifies estate plans. Gift recognition while still around to acknowledge. |
| Charitable Remainder Unitrust Most useful if funded with highly appreciated assets. Attorney must draft. Trust is tax-exempt. | Income is a fixed percentage of trust value based on annual valuation. Pays 5% or more to one or more persons. Life, lives, or term of years. | Monthly, quarterly, semi-annually, or annually. | Initial income tax deduction. Avoid capital gains tax if funded with appreciated property. | Useful for gifts in excess of \$100K in value, especially stocks, land, home or farm. |
| Charitable Remainder Annuity Trust Fixed payment amounts. Attorney must draft. Trust is tax-exempt. | Income is a fixed amount based on percent of original value. Pays one or more persons for life, lives, or term of years. | Monthly, quarterly, semi-annually, or annually. | Initial income tax deduction. Avoid capital gains tax if funded with appreciated property. | Can be useful for shorter term of years at a higher fixed pay out. |
| Life Estate Give the future ownership interest in a home or farm, but retain full ownership during your lifetime. | None. | | Current tax deduction for the present value of the future ownership interest. | Simplifies estate plans and transfer of ownership at death. Completes a major gift during life. |
| Life Insurance Policy Gift Name church as beneficiary and owner of policy. Church may sell or maintain policy. Any additional premium payments made by Donor. | None. | | Current cash value of policy is a deductible charitable gift against income tax. | Simplifies estate plans. May result in a larger benefit to charity in the future. |
| Charitable Lead Trust Trust pays annual income to church / charity for fixed term of years, then remainder returns to donor or donor's heirs. Attorney must draft. Trust is not tax-exempt. | None. | | May avoid some portion of estate tax, if applicable. | Gives charity benefits of earnings on assets without giving away the assets. For very large estates, can leverage the lifetime exemption and pass more value to heirs without tax. |
| Bargain Sale Sell an asset to the church at below the fair market price. Part gift and part sale. | None. | | The portion of the value that is deemed a gift is deductible against income tax. | Can be especially useful in situations where the property is useful to the church (e.g., land for new building) |
| Appreciated Property Charitable gifts of assets that have increased in value can be especially cost-effective for the donor. Special rules may apply to certain types of property. | None. | | In general, the full fair market value is deductible as a charitable gift. Capital gains tax is avoided. | Especially easy and cost-effective with gifts of publicly traded securities. |
| Retirement Funds After age 59 ½ funds may be withdrawn without penalty and used for charitable giving. Sometimes legislation allows direct gifts to charity. | None. | | Regular withdrawals can be deducted like gifts of cash. Direct transfers to charity (when allowed) avoid income and count as RMD. | This asset can be more heavily taxed than others in your estate. Therefore, it can be most appropriate for charitable giving. |
| Donor Advised Fund Create a fund at the Missouri UM Foundation to benefit all your favorite UM ministries and charities. | None. | | Minimize your taxes by making charitable gifts to your fund, but decide later which charities will benefit. | Earnings are credited and compounded tax-free; you and others may add to your Fund anytime. All gifts will be acknowledged by the Foundation. |

“The Lord is faithful in all his words,
and gracious in all his deeds.”

—Psalm 145:13

RESOURCES AVAILABLE

BROCHURES

- Estate Planning
- Charitable Gift Annuity
- Remember Your Church
- Donor Advised Funds
- Giving Securities

OTHER RESOURCES

- A Christian Guide to Planning Your Estate
- Faith & Funding Newsletter
- Missouri UM Foundation Annual Review
- FREE Planned Giving Workshops
- Stewardship Seminars



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