

# Introduction to Planned Giving

Presented by  
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**Planned Giving Leadership Webinar**



## Schedule

- History & Mission of Episcopal Church Foundation (ECF)
- Theology and Resources for Ministry
- Planned Giving (PG): Introduction, methods, instruments
- Starting a PG program and best practices
- What PG leaders should know
- What ECF can do to help



## Christian Stewardship

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



## Christian Stewardship

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



## Resources for Ministry

- **Ordinary-** Annual Stewardship
  - Funds contributed toward on-going daily ministry and operation of a congregation.
- **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 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)*



## Types of Planned Gifts

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



## Bequests through Wills

- 80% of all planned gifts are in the form of a bequest in a will.
  - Bequest types:
    - Specific Amount
    - Percentage or 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



## Life Income Gifts 101

- Pooled Income Fund (PIF)
  - Donor income based on fund performance
  - Current performance 4.5%
  - 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

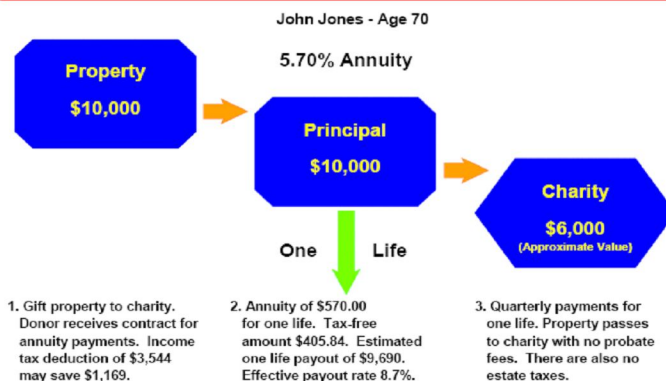


## Life Income Gifts 101

- 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



April 20, 2009

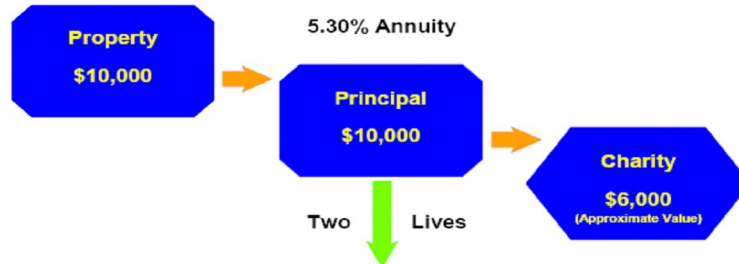
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## Charitable Gift Annuity

John Jones - Age 70    Mary Jones - Age 75



1. Gift property to charity. Donor receives contract for annuity payments. Income tax deduction of \$2,862 may save \$944.

2. Annuity of \$530.00 for two lives. Tax-free amount \$381.60. Estimated two lives payout of \$10,547. Effective payout rate 7.9%.

3. Quarterly payments for two lives. Property passes to charity with no probate fees. There are also no estate taxes, if married.

April 23, 2009

This educational illustration is not professional tax or legal advice; consult a tax adviser about your specific situation. See data sheets for assumptions. Page 3 of 5



## Questions so far?

- Raise your “hand” for a question
- You can also send an e-mail to [jmurphy@episcopalchurchfoundation.org](mailto:jmurphy@episcopalchurchfoundation.org)



## Promoting Planned Giving

- For all levels of a PG program:
  - Awareness
  - Basic understanding of the “why’s” & “how’s” of planned giving
  - Competition from other charities



## Identifying Donors

- Age
- Frequency of giving & longevity
- Cumulative gifts
- Other known planned gifts



## Your PG Ministry

“For Keeps”

- Keep people informed
- Keep track and respond to inquiries
- Keep saying “Thank You” !



## Funding Future Ministry

- FFM Link
- <http://www.episcopalchurchfoundation.org/tools-and-programs/leadership-tools/funding-future-ministry>



## Starting PG in your parish

- Every Parish can have a Program
- Start where you are now
- Seek to move to the next level with the help of the Episcopal Church Foundation



## Starting PG in your parish

- Level 1 – Getting Started
  - Start talking about Planned Giving
  - Get brochures and other materials  
[www.episcopalchurchfoundation.org/resource-library](http://www.episcopalchurchfoundation.org/resource-library)



## Starting PG in your parish

- Level 2: Becoming Pro-Active
  - Appoint Planned Giving volunteer
  - Get resources from ECF
  - Create/Review Endowment & Gift Acceptance Policies



## Level 2

- Resources from ECF
  - Monthly E-newsletters
    - PG Leaders
    - PG Donors
  - **Funding Future Ministry** – Available now!
  - Planned Giving “Corner” Website  
(sample or link-[www.episcopalgifts.org](http://www.episcopalgifts.org))



## Starting PG in your parish

- Level 3: Making Regular Contact
  - Publicize Endowment & Gift Acceptance Policies
  - Appoint PG Chair and other volunteers
  - Send a letter to possible PG donors



## Starting PG in your parish

- Level 4: 12 Month Program for PG
  - Involve more volunteers & Form a PG Committee
  - Plan Estate Planning/End of Life Event
  - Remember Mission & Ministry!



## Forming a PG Committee

Members should

- Have made a planned gift
- Be good listeners
- Be good stewards of donor's interests
- Have realistic expectations



## Starting PG in your parish

- Level 5: 12 Month Program & Legacy Society
  - Plan to form a Legacy Society
  - Expand the number of volunteers and share leadership!
  - Remember Mission & Ministry!



## Legacy Societies

- Why have a legacy society?
  - Raise awareness of planned giving options
  - Opportunity for witness
  - Provide a system for acknowledgements
  - Stay connected with donors, an opportunity for Ministry!



## Legacy Societies

- Creating a Legacy Society
  - Establish a Name/Theme & Create promotional brochure
  - Establish Membership Criteria & Consider the "Founding Members"
  - Create Enrollment & Acknowledgement plan
  - Hold annual "Thank You" event



## Conclusion

- ECF always available to assist
- Jim Murphy 212-716-6280

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