

What is Planned Giving?



Church of the Nazarene Foundation

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Planned Giving:

A way to leave assets to ministry that provides current and future benefits

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Bequest

A future gift to help your ministry of choice. A bequest is one of the easiest ways for you to make a planned gift.

The Need

Many people want to give but are unable to donate during their lifetime. For example, you may have assets that will be needed during life to cover living expenses or rising health care costs. You may benefit from donating this asset through your estate.

The Solution

You can retain ownership and use your property during your life and benefit a ministry of your choosing by leaving the asset to them when you pass away. We can help make the process easier if you designate the Foundation as beneficiary and allow the Foundation to distribute the assets.

The Benefits

Gift to Your Ministry of Choice

The ministry receives cash or property.

Tax Deduction

The amount given to the ministry is not subject to federal estate tax.

Flexibility

You are able to use and control your property during your lifetime.

The Details

You can make a gift by including a bequest in your will or trust. Assets that are given through a beneficiary designation (such as individual retirement accounts) can be left by designating the ministry as a beneficiary.

Specific Asset Bequest

Many bequests transfer a specific item to a beneficiary.

“I give my car to Joshua.”

Specific Amount

Another common transfer via a bequest is the gift of a specific dollar amount. “I give \$1,000 to Global Mission.”

Bequest of a Percentage of the Residual

A fractional amount or percent of what is left of the estate may be transferred to ministry.

“I give 50% of the residual of my estate to my church.”

Undivided Percentage of Assets Bequest

You may bequeath or devise an undivided percentage of a particular asset. “I give half of my home to JESUS Film Harvest Partners.”



Charitable Gift Annuity

An agreement through which you make a gift of cash or property and the Foundation agrees to pay you fixed payments for the rest of your life.

The Details

A Charitable Gift Annuity (CGA) is a contract between you and the Foundation. In exchange for a gift of cash or property, we agree to make fixed payments to you for the remainder of your life. When you go to heaven, the remaining balance goes to the church or ministry that you designated.

Duration

You give cash or appreciated property to the Foundation. In exchange, the Foundation makes fixed payments for the lifetime of you or you and another person.

Payout Rate

Your gift annuity payout rate is based on your age at the time of the contract. For those 65 and older, rates begin at 4.7% for a single life.

Taxation of Payments

A large portion of your gift annuity payments could be tax free until you reach a certain age. The remaining amount of each payment is taxable at ordinary income tax rates or as capital gain, if you donated an appreciated asset.

Timing

A gift annuity contract can begin making payments immediately (a current gift annuity) or you can begin receiving payments at a future date (Deferred Gift Annuity).

The Need

You want to make a gift to ministry. However, you are also in need of a higher monthly income to meet your living expenses, and the interest rates on your savings accounts are disappointing.

The Solution

You and the Foundation enter into a Charitable Gift Annuity agreement. You no longer have to worry about interest rates or the fluctuating stock market, and you've increased your income.

The Benefits

Fixed Payments for Life

Your payments will never change.

Tax Deduction

You will receive a federal income tax deduction based on your gift.



Charitable Remainder Trust

You transfer cash or property to a trust that pays income for your life or a term of years. The remainder goes to the ministry you designate.

The Need

You desire to change appreciated property that produces little or no income into a productive asset without paying capital gains tax on the sale of your property. You also desire to leave a large gift to ministry.

The Solution

You contribute appreciated property to a Charitable Remainder Trust that will sell the property tax free and make payments for your lifetime or a specified term of years. The trust may pay income to multiple beneficiaries.

The Benefits

Bypass Capital Gain

The trust sells your property tax free.

Increased Income

The trust pays you a percentage of its value.

Tax Deduction

You receive a current federal income tax deduction.

The Details

You transfer cash or appreciated property to the trust, which can sell the property without paying capital gains tax. You tell us the payment terms you desire and the ministry that you would like the remainder to benefit.



Duration

A Charitable Remainder Trust can last for the lifetime of one or more beneficiaries or for a specified term of years.

Annuity vs. Unitrust Payout

A Charitable Remainder Annuity Trust (CRAT) pays a fixed dollar amount each year. A Charitable Remainder Unitrust (CRUT) pays an amount equal to a percentage of the trust value, which is recalculated every year.

Taxation of Payouts

Most trust payouts are taxable as ordinary income and/or capital gain.

Payout Flexibility

A CRUT offers flexible payout options. Check with us to see which option is right for you based on your assets and goals.

What is the difference between a Charitable Gift Annuity and a Charitable Remainder Trust?

1. Charitable Gift Annuities have a \$5,000 minimum, whereas Charitable Remainder Trusts are usually designed for assets of much larger value.
2. Charitable Remainder Trusts offer more flexibility and contract options designed for those with complex financial situations.

Life Estate Reserved

You make a gift of your home or farm to your church or favorite ministry and retain the right to use the property for your lifetime.

The Need

You feel led to give your house for use by your local church or know that a ministry you support will have need for significant funds in future years. You still need the home to live in, though, and are not ready to sell the property.

The Solution

You can deed your home or farm to the Nazarene Foundation but keep the right to use the property for your remaining lifetime. After your death, the Foundation can handle the sale of the property, making it easier for those handling your estate.

The Benefits

Tax Deduction

You receive a current federal income tax deduction for the present value of the remainder interest in the home or farm.

Preserves Lifetime Use

You are able to use and control the home or farm while you are alive.

The Details

You execute a deed transferring your home or farm to the Foundation. On the deed, you retain a “life estate” that grants you the right to use the home for life. You receive an income tax charitable deduction for your gift right away, and the property will be given to your chosen church or ministry after your death—without the need for a lengthy probate.

Duration

The Life Estate typically lasts for your lifetime or the life of you and another person, such as a spouse or a dependant child.

MIT Agreement

You agree to be responsible for the maintenance (M), insurance, and taxes while you remain living on the property.



Endowment

You make a donation to fund an endowment and your chosen ministry receives the income from those investments year after year.

The Need

You desire to give to a church, school, or ministry but are concerned about what will happen when the money from your donation has been used up. You want to avoid making a single large gift but still desire to have a significant impact on that ministry.

The Solution

You establish an endowment to benefit your chosen ministry. The money is invested and the income goes to your chosen ministry in perpetuity, so you can continue to support that ministry even after you are gone.

The Benefits

Potential Tax Savings

You may be eligible to receive tax savings by establishing an endowment.

Honor a Loved One

You can name an endowment after anyone you wish to honor, including a parent, spouse, or mentor.

The Details

An endowment is the gift that keeps on giving. Funds are deposited with the Church of the Nazarene Foundation, and each year a portion of the income is distributed to your local church, a college or university, or any other ministry you designate. Endowments provide sustainable income that can help a ministry thrive for years into the future.

Ongoing Income for Ministry

The money given to fund an endowment will earn income through investments that will be distributed to your chosen ministry each year. Typically, an endowment distributes 5% of its market value annually, which means that it can continue to provide funding until Jesus returns.

Flexible Funding Options

An endowment can be funded with cash, stock, real estate, or any marketable item of value. Donating appreciated stock or property to an endowment fund can have a significant advantage in avoiding unnecessary taxes.

Do I Have to Make a Large Gift?

No. Endowments can be established with one large gift, a series of smaller gifts, or through a will or trust.

What Can I Endow?

Anything. An endowment can be created to provide scholarships for a school or university, reliable income for a church program, or funding for a global mission project.



Donor-Advised Fund

You transfer assets to the Foundation, let them grow in an investment account, and then make charitable contributions out of your fund at any time.

The Details

A Donor-Advised Fund is an easy-to-use alternative to a private foundation. Simply transfer assets to the Foundation, and then, as needs arise, specify distributions to charitable organizations. The Foundation will send the gift in your name and will handle writing the check and all of the paperwork. You can contribute to the fund periodically as you choose.

Where Can You Give?

You can give to any 501c3 whose mission is consistent with Christian beliefs.

Designate Successor Advisors

If you desire, you can designate your children or other loved ones as successor advisors of the account, and they can continue to make gifts on your behalf until the fund is depleted.



The Need

You want to simplify your charitable giving, and you need an immediate tax deduction. Additionally, you may be interested in establishing a private foundation to leave a lasting legacy, but you know there are administrative costs that use up funds which could otherwise be directed to charitable works.

The Solution

Through a Donor-Advised Fund, you can transfer assets to the Foundation, make recommendations about where to send charitable contributions, and leave the rest to us. By putting appreciated assets into your fund, you receive a tax deduction this year but have more time to select charities that will benefit from your gifts.

The Benefits

Administrative Cost Savings

The administrative fees charged by the Foundation are usually less expensive than employing a staff to run a private foundation. Donor-Advised Funds are also not subject to distribution requirements or certain taxes.

Investment Management

Our investment management partner offers several different allocation models. Just choose how you want the money invested, and your gifts will be managed by high-quality investment managers.

Easy Distributions

You can simply complete a one-page form, send it to the Foundation, and then sit back while we process your requested gift to charity.

What to Give

You can fund a planned gift in a variety of ways other than cash. Gifts of life insurance, retirement assets, real estate, or stocks and bonds are just a few of the creative ways you can give to ministry through the Foundation.



Retirement Assets

You can leave a sizeable gift to ministry after you pass away by donating your retirement assets through the Foundation.

The Details

You can give your retirement assets to ministry by designating the Foundation as a beneficiary of your IRA, 401k, 403b, pension, or other tax-deferred plan. You then simply tell us how you would like the money distributed, making this an easy legacy gift that avoids unnecessary hassle for the executor of your estate.

Beneficiary Designation

Your retirement assets may be transferred by completing a beneficiary designation form provided by your plan administrator. Because this type of gift does not require legal assistance, it is a cost-effective way to benefit your church or favorite ministry.

Full Gift Value

The ministry you choose will benefit from the full value of your gift because your hard-earned plan assets will not be taxed at death.



The Need

If you give your retirement assets to your children, a high percentage may be taxed. You want to make gifts to your family and ministry and avoid taxing your heirs and estate.

The Solution

You leave your heirs assets that receive a step up in basis (such as real estate and stock) and give your retirement assets to the Nazarene Foundation. The Foundation handles the distribution of funds to your ministry of choice.

The Benefits

Tax Savings

Your family avoids additional income tax. Your estate enjoys estate tax savings if you have a taxable estate.

Preserves Lifetime Use

You may continue to take withdrawals from your retirement accounts during your life. You benefit the ministry of your choosing with the remaining funds when you pass away.

Life Insurance

You can donate unneeded life insurance and give a gift to ministry that is much larger than many can ordinarily afford.

The Need

Like many people, you may find yourself with unneeded life insurance after your children become financially independent. You want to make the most of the money you have paid into policy premiums but no longer have a need for the benefits.

The Solution

You can give your life insurance policy to the Foundation, and the money will go to your ministry of choice. You will receive an income tax deduction for the value of the premiums as you continue to make payments on your policy.

The Benefits

Control of Investments

Through a gift of life insurance, a sizeable gift can be made without impairing or diluting control of a family business or other investments.

Caring For Family

Assets earmarked for family members can be kept intact, so you can still care for loved ones through your estate.



The Details

To donate your unneeded life insurance, name the Foundation as both beneficiary and irrevocable owner using forms provided by the insurance company; then, continue to pay the premiums, which can be deducted as a charitable gift on your income tax returns.

Small Cost, Big Gift

Through a relatively small annual cost (the premium), a benefit far in excess of what would otherwise be possible can be provided to your chosen ministry. Many donate a policy that is no longer needed, but you can also choose to get a life insurance policy for the sole purpose of benefitting a ministry.

Types of Insurance Accepted

The Foundation accepts whole, universal, or variable life insurance policies. The Foundation does not accept gifts of term life insurance but may be named as a beneficiary on term policies.



Stocks, Bonds, & Real Estate

You can avoid taxes on the sale of an appreciated asset by choosing to give all or part of that asset to ministry.

The Need

You have a piece of stock or real estate that is no longer producing any income for you. You want to sell it but know that doing so would trigger a large tax burden because the asset has appreciated in value.

The Solution

Give your appreciated assets to ministry or your local church through the Foundation. The Foundation will handle the sale of the asset so you don't have to.

The Benefits

Tax Savings

Depending on the gift, you can avoid paying capital gains tax and/or receive an income tax deduction.

Gift Flexibility

You decide how you want to give your appreciated assets. Plus, the Foundation accepts many different types of personal property.



The Details

Many smaller churches and organizations are not equipped with the time or expertise to handle complex gifts like stocks, bonds, or real estate. By giving these assets through the Foundation, you enable gifts to ministry that would not otherwise be possible.

Stocks and Bonds

Instead of selling your stocks or bonds and then donating the proceeds, you can give appreciated securities directly and avoid taxes on the sale. The Foundation receives gifts of stock through a brokerage account and then processes the gift on behalf of the ministry.

Real Estate

You sign a deed transferring ownership of the property you wish to give, and the Foundation will value the gift, sell the property, and then turn the funds over to the ministry you have chosen.

*Because some properties pose challenges, the Foundation has adopted policies to limit the acceptance of certain kinds of real estate.



Contact Us

For more information:

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