

What is the Faith Foundation?

The Faith Foundation is an Endowment Fund comprised of gifts and bequests held separate from the operating budget of Faith Lutheran Church. The Fund was established in 1984 to provide a meaningful extension of stewardship opportunities for members and friends of the Congregation.

Our Mission

To provide brothers and sisters in Christ the opportunity to share their life's gifts in support of the mission of Faith Lutheran Church for lasting benefit of this and future generations.

Our Vision

The Faith Foundation provides stable, dependable, long-term financial resources for enhancing and expanding the vision of Faith Lutheran Church.

Foundation Purpose

The Faith Foundation is an Endowment Fund comprised of gifts and bequests held separate from the operating budget of Faith Lutheran Church. The Fund was established in 1984 to provide a meaningful extension of stewardship opportunities for members and friends of the Congregation.

Planned giving is a kind of stewardship, which gives beyond our years. It allows us to be good stewards of all those "things" we have accumulated.

Not only will this kind of stewardship be a blessing to others, it will also provide a blessing to you. Just as you feel a sense of satisfaction each time you share from your income, you can in an even greater sense experience the joy of knowing that after you are called home, a portion of what you have accumulated will be directed, as you have chosen, to the causes that are important to you.

The Faith Foundation will help you do that. By suggesting creative ways to give, we can help direct your resources that can help you today, and help Faith tomorrow.

Funds in the Faith Foundation are managed by the Endowment Committee, which is elected by the congregation.

Ways You Can Help

Some of the options for giving to the Faith Foundation are:

Charitable Remainder Trust

A Charitable Remainder Trust is a creative tool that gives you income for life and provides a wonderful gift for FLC. Assets that have substantially appreciated in value but are providing a low return are well suited as gifts. You may avoid capital gains taxes, lower your income taxes and earn higher returns with this vehicle for giving. Income can be based on the asset's initial fair market value or its annual

net fair market value.

Annuity Trust

An annuity trust makes fixed payments of a percent (minimum 5%) of the trust's initial fair market value. The trust's change in market value will not impact the amount paid. The annual annuity trust payment is paid first from trust income then, if necessary, from the trust principal. Additional contributions cannot be made to an annuity trust.

Unitrust

A Unitrust can make straight payments of a fixed percent (minimum 5%) of the trust's annual net fair market value. Other options may be chosen or required. For example, a payment may be the lesser of the net income of the trust and the stated percent of the annual fair market value. The Unitrust payment fluctuates according to the annual net fair market value of the trust. Additional gifts may be made to a Unitrust in subsequent years or upon death.

Charitable Lead Trust

If you want to minimize estate and gift taxes on assets you intend to leave to your children or grandchildren, particularly when significant assets are expected to appreciate, you may want to consider a Charitable Lead Trust. A charitable lead trust can provide annuity payments to the Faith Foundation for a specified period of time (usually a fixed number of years). Then, at the end of that term, assets in the trust pass to your personal beneficiary such as a child or grandchild (or even back to you).

Key Benefits:

- * Reduces taxes that would otherwise be due on assets left to children and grandchildren
- * Allows donor to make a substantial gift over a period of years until assets are passed on to family
- * Any growth in the asset beyond what is promised to the charity goes to the beneficiaries when the charity's term ends

Limitations:

- * Although part of a long-term gift to one's family, it is considered a temporary gift in terms of philanthropy

Best Assets:

- * Rapidly appreciating assets that one intends to pass on to heirs.

Charitable Gift Annuity

A charitable annuity allows you to make a meaningful gift to Faith Lutheran Church, while also providing you a guaranteed annual income for the rest of your life. Your gift continues to give even after your death. Faith will receive the remaining portion of your annuity after your life ends.

A gift annuity makes it possible to transfer cash, real estate, or securities such as stocks or bonds, to FLC. In exchange, you or someone you designate will receive fixed payments for life.

Key Benefits:

- * Income beneficiary earns a fixed annual amount; this is especially advantageous if you're 65 or older
- * Charitable gift annuity interest rates may provide you with a current income that is greater than your assets are currently producing.
- * The IRS designates a portion of your annuity as a charitable gift. You get an income tax deduction for the gift portion.
- * A portion of your future annuity payments is considered a return of principal and is tax-free.
- * Assets can be used by FLC after beneficiary's lifetime.
- * If you fund your annuity with an appreciated asset, you may avoid some capital gains taxes.

Limitations:

- * Annuity payments are fixed and do not provide a hedge against inflation.

Best Assets:

- * Cash
- * Securities

Example:

Mrs. Muller is 75 years old. She needs to increase her income and at the same time she wants to support her church. Mrs. Muller owns some stock she bought in 1979 for \$4,500. Today the stock is worth \$9,000 but she only receives a dividend of 2% or \$180 per year.

Mrs. Muller decides to gift the Faith Foundation her stock in exchange for a Charitable Gift Annuity. The Faith Foundation agrees to provide Mrs. Muller with a guaranteed fixed income for life. Mrs. Muller receives an annuity payment of \$738 per year. Of that, \$202.67 is tax free. She also gets a charitable gift tax deduction of \$4,140 on her gift. If she is in the 28% tax bracket, Mrs. Muller saves \$1159 on her taxes for the year she made the gift. That means she has increased her income from \$180 to \$738 and saved on her taxes at the same time! More important, Mrs. Muller has the joy of knowing that her gift is helping to fulfill the ministries of Christ.

Direct Donations

Direct donations can be made by simply writing a check to Faith Foundation and placing it in the offering plate. For your convenience, Faith Foundation envelopes can be found in the sanctuary in the seat backs.

When your donations reach the \$100 level, a tag with your name identifying you as a Friend of the Faith Foundation will be placed on the Faith Foundation plaque in the Centrum. Donors of \$1000 or more will be identified as Benefactors.

Key Benefits

- * Donating is quick and easy
- * Immediate tax deduction

Deferred Payment Charitable Gift

You may know the benefits of a Charitable Gift Annuity; by making a charitable gift to the Faith Foundation you receive a tax deduction now and a guaranteed income for life. However, you may not need the income now. The Deferred Payment Charitable Gift Annuity may be the perfect option for you.

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With the Deferred Payment Charitable Gift Annuity, you make a gift now (thus receiving an income tax charitable deduction in the year of the gift) and receive a guaranteed annual income for life beginning at a future date of your choice. Through one gift you can receive current and future benefits.

Key Benefits:

- * You receive a guaranteed annual lifetime income, starting when you choose.
- * By being deferred, your payments will be higher than for a Charitable Gift Annuity.
- * Because your tax deduction is immediate but payments are deferred, your tax deduction is larger than for a Charitable Gift Annuity.
- * Your gift increased the value of your overall retirement package.

- * If you wish, you can add to your gift every year with each new gift beginning its deferred payments at the same time.
- * Assets can be used by FLC after beneficiary's lifetime.
- * If you fund your annuity with an appreciated asset, you may avoid some capital gains taxes.

Limitations:

- * Annuity payments are fixed and do not provide a hedge against inflation.
- * The percentage payment is linked to donor's age at the time the payments begin.

Best Assets:

- * Cash
- * Long term appreciated stocks
- * Bonds
- * Incentive cash bonuses

Example:

Sam and Jane are 55 and 53 respectively. They are at the peak of their careers. Although they want to make a significant gift to their favorite ministry, they don't need additional income now, but they may need additional income when they retire. They decide to gift their appreciated stock, which has a current value of \$9,500 with a cost basis of \$4,000, for a Deferred Payment Charitable Gift Annuity. Their 10-year deferral will provide an immediate charitable deduction of \$3,656, based on government rates for August 1998. When they begin receiving their quarterly payments in 2009 their annuity rate will be 10.8% or \$1,026 annually.

Your Will or Trust

Do you have a will?

At one time or another, most people think about making a will. Individual circumstances are different, but every person should have a will. If you don't have a will, the state has one for you. If you have not prepared your will, your state of residency at death will distribute your estate according to its laws. Your estate will be divided according to a formula, without taking into account any special needs of your family or your personal wishes. Without a will, you lose the power to control the disposition of your property. Furthermore, your estate has no charitable intent.

Only through a will can you;

- * Distribute your property as you choose,
- * Appoint your own executor,
- * Minimize certain estate costs,
- * Suggest a guardian for surviving minor children,
- * Provide for trusts,
- * Exercise testamentary powers of appointment, or
- * Provide for your church or favorite ministry.

What about jointly owned property?

Jointly owned property does not eliminate the need for a will. Although joint tenancy with right of survivorship, such as bank accounts, real estate, and stocks, will automatically pass to the survivor, it is possible for both joint owners to die in a common accident. The only way to insure that your final wishes are carried out is to prepare separate wills.

What does a will do?

A will provides a plan for the distribution of your estate. It expresses your final wishes to family and heirs. It is the final witness to your Christian Faith.

When should I make a will?

It is never too early to consider how you would like your property dispersed. When you have made a plan, visit your attorney and have your will prepared. Important decisions will be made which require professional advice. Without a legal will, your desire to benefit your family, your congregation, and Faith Foundation may not be achieved.

Your will does not become final until your death or incompetence. Changes in circumstances may require changes in a will. If you already have a will, consider the following questions:

- * Is my will up-to-date?
- * Do I have any minor children?
- * Has the size of my estate changed significantly since my will was written?
- * Have any of the individuals (executor, beneficiary, and ministry) named in my will died or ceased operation, moved, or changed names?
- * Is the church or Faith Foundation included in my will?
- * Should I learn more about life income gifts?
- * Have I provided a means to pay for probate and estate taxes?
- * Has any tax law changed which will have an impact on my planned disposition of property?
- * Have I considered a Christian Preamble to my will?

Remember Faith Foundation in your will.

As a Christian, you are the caretaker of the unique God-given gift of life. You have rejoiced in your talents by being a lifelong steward. The distribution of your estate is the last witness of your life. You can continue your Christian stewardship by providing for the work of the Church in your will.

- * There are many ways to express your stewardship through your will.
- * Give Faith Foundation a certain percentage of your estate.
- * Establish a Faith Foundation endowment fund that will continue to support FLC forever.
- * Create a life income plan to provide an income for a survivor and designate the church as final beneficiary.

The above examples are just a few of the options available; contact Faith Foundation for assistance in establishing your life goals as well as providing for your legacy.