

PLANNED GIVING IN THE CHURCH

Over the next 50 years, it has been estimated that nearly \$41 trillion will be transferred via estates. This will be the largest transfer of wealth in the history of the world. It has also been estimated that nearly \$6 trillion of these funds will be distributed to charity. Do you think that gifts from both large and small estates might be useful to the ministry of Holston Conference churches, agencies, missions, or programs? Well, of course the answer is “yes,” but churches have historically done poorly in this area of giving **because we do not ask!**

Planned gifts are different than contributions to operating and capital budgets, which generally come from annual earned income. Planned gifts are usually made from accumulated assets (stocks, bonds, real estate, insurance, retirement plans, etc.). Bequests through wills are the most common form of planned gift, but charitable trusts, charitable gift annuities, and other options exist which also provide potential tax advantages. While some planned gifts are undesignated, most are designated by the donor for a specific use(s) such as missions, scholarships, building improvements, etc. This is one reason churches should consider creating target areas of need and the guidelines to go with them so that the stewardship process is already in place to receive these special gifts.

Part of The Holston Conference of the United Methodist Church Foundation’s mission is to help educate individuals about how to give through planned gifts and to help educate churches about how to prepare to receive planned gifts. Good stewardship needs both a joyful giver and a grateful recipient!

Planned giving can be important to every ministry in the Holston Conference and throughout United Methodism. In light of this importance, we have prepared what we call The Eleven Commandments of Planned Giving in the local church.

FOR MORE INFORMATION:

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~~Eleven~~ Ten Commandments For Planned Giving in the Local Church

- I. **ASK FOR AND EXPECT A BLESSING.** All people die and many leave bequests to charity ... Why not include the church? Plant the seeds for bequests and planned gifts and be prepared to accept the blessings! Ask and you shall receive.
- II. **ESTABLISH WRITTEN GUIDELINES!** Establish an Endowment Committee to prepare to receive planned gifts and bequests. This group helps to prepare guidelines to receive, manage, invest, and properly spend planned gifts, as well as identify specific areas that might be attractive, realistic targets for the funding.
- III. **DON'T REINVENT THE WHEEL.** Contact the Holston Conference Foundation for a free copy of The Planned Giving Handbook for local churches and other useful materials. The Conference Foundation can share ideas on what other churches have done and recommend other resources (visit us on the website at www.holston.org).
- IV. **BE VISIBLE.** Many churches have brochures about their endowment fund(s) and the various ways of giving. Put this information in a visible location. Consider a wall of honor to express gratitude for individuals who include the church in their estate plans. Include success stories in newsletters (with permission, of course).
- V. **EDUCATE, EDUCATE, EDUCATE.** Sponsor programs or seminars for your membership and the community about the importance of having a will and other documents, such as a durable power of attorney, healthcare power of attorney, and a living will. The Holston Conference Foundation and many attorneys and financial planners are willing to share freely their knowledge and expertise at such programs.
- VI. **EMPHASIZE MEMORIAL GIFTS.** Many churches direct undesigned memorial gifts to their endowment. Others have special memorial envelopes, making it convenient to give memorial gifts to endowments.
- VII. **CLARIFY EXPECTATIONS.** Decide how much it takes and over what period of time there is to establish a separate "named" endowment fund. Many headaches and hard feelings can be avoided by clarifying expectations on the front end.
- VIII. **TELL EVERYONE HOW THE MONEY WAS SPENT.** Once endowments are in place, use the earnings or other distributions for the intended purpose(s) and celebrate the good works. Nothing primes the pump for additional gifts like demonstrating good stewardship of previous gifts.
- IX. **ENDOWMENTS ARE FOREVER.** Only the earnings or a percentage of market value (whichever method is approved) should be spent. Many churches do not start spending from endowments until they reach a certain dollar level or have been in place for a set number of years.
- X. **BE AN EXAMPLE.** Every adult should have a will. Consider tithing your estate or providing a gift for ministry in your own plan.
- XI. **BE PATIENT.** Include planned gifts in building and stewardship campaign goals. Universities have frequently demonstrated that many of the largest gifts received are planned gifts. The Holston Conference Foundation is equipped to help with Charitable Remainder Trusts, Charitable Gift Annuities, and other tax-wise planned gifts.

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