A Gift in Your Will–
How to Meet Your Charitable Goals



Where Local Good Grows

Hendricks County Community Foundation

Why Make a Gift in Your Will?

A popular way of providing long-term support for a meaningful charitable organization is to make a gift in a will. There are a number of reasons individuals might choose this gift option:

- To make a statement about personal values
- To support an important cause and benefit future generations
- To honor a loved one or provide a gift that inspires others to give

Tax planning can also be an important factor in this decision. With some foresight, you can make a gift in your will that fulfills specific planning goals as an integral part of an estate plan.

The Benefits of Planning a Gift in Your Will

If you are thinking of making a gift in your will, keep the potential benefits in mind. Your gift can:

- Serve as a source of personal satisfaction
- Help accomplish important personal goals as an integral part of your estate plan
- Provide tax and financial rewards for family or other beneficiaries

Flexible Planning

There are many ways to make a gift in your will:

- It can be outright or deferred.
- It can be absolute or contingent upon certain events.
- It can honor a beloved family member or cherished friend.
- It can provide general support to the charity or it can be restricted to a certain purpose.

You retain full use of your property during life, so there is no immediate out-of-pocket cost, reduction in net worth, or disruption of cash flow. What's more, you remain in complete control of the process, meaning you can change your gift later if circumstances change.

UPDATING YOUR WILL IS EASY

If you have a will, you can include a gift to us without executing a new will. A codicil is a simple addition to your existing will commonly used to add gift designations.

Keep in mind, however, that a codicil must meet all the state legal requirements for the execution of a valid will. Generally, you must sign it in the presence of witnesses who attest to the execution of the document.

Of course, you should rely on your attorney to draft your will or add any codicils. When you include a gift to us in your will, make sure to identify our institution by its formal legal name.

An Outright or Deferred Gift

It is common to think of a gift in a will as an outright gift—a direction to distribute a specific asset or a certain sum of money to a designated charitable beneficiary. But it is also possible to make a deferred gift, with individual beneficiaries receiving immediate benefits and our institution receiving benefits at some later time.

An Outright Gift

You can make an outright gift simply by indicating in your will the assets you would like to donate. You can specify:

- A certain sum of money
- A particular asset (for instance, 100 shares of stock)
- A percentage of the value of your estate (this allows the charity to share in the increase or decrease of the estate value, which can change quickly and dramatically)
- The “residue” of your estate—the amount that remains after all costs, debts, and taxes have been paid and all monetary and specific bequests have been satisfied (especially appropriate when you want other bequests to have priority)

Your personal objectives should determine the exact form of your gift. Consult your attorney for advice, and of course, we are pleased to provide any assistance you or your attorney may need in planning your gift.

A Deferred Gift

A deferred gift can add a great deal of flexibility to your estate plan. It allows you to provide for one or more family members or other beneficiaries first and then provide a gift to us later.

A deferred gift can take different forms, but generally it will:

- Pay an annual income to one or more beneficiaries for life (or for a period of years), and
- Pass the property to us when the income payments end.

A deferred gift in your will is an excellent tool for providing for dependent relatives while fulfilling your philanthropic wishes.

> **EXAMPLE**: Ava is a 70-year-old widow who wants to make a gift in honor of her late husband's support of our organization. However, her older sister, Betty, needs financial help. By setting up a charitable remainder trust in her will, Ava can direct that when she dies, Betty will get an income for life, with the remainder interest left to us at Betty's death. Ava has ensured that her sister will have lifelong support, and she has honored her husband's memory, which brings her great joy. What's more, Ava's estate enjoys a charitable deduction for the present value of our remainder interest.*

Financial and Tax Benefits

Charitable gifts are motivated by a desire to make a difference by providing support for a meaningful mission. However, the tax rewards for such generosity often let donors give more to charity than would otherwise have been possible.

Every dollar you give to a qualified charitable organization through an outright or deferred gift in your will is fully deductible for federal estate tax purposes when all legal requirements are met.

If your estate may be subject to the federal estate tax, minimizing the impact of this tax on beneficiaries becomes an important consideration. Since gifts in your will remove assets from your estate, they can help minimize the impact of the estate tax.

PERPETUATING YOUR ANNUAL GIFT

Many of our supporters make regular annual gifts, and they choose to continue this support for many years to come through gifts in their wills.

For example, Avery customarily makes an annual gift of $2,000. He designates a $50,000 gift to us in his will as an endowment. Given a 4.0% endowment payout, his gift will distribute $2,000 in its first year. The endowment will continue to generate income, benefitting our mission for many years to come.

Ask us how you can help shape our future with a carefully planned gift in your will.

*All examples are for illustrative purposes only.

Planning a Personally Satisfying Gift



There are many techniques for making a generous gift in your will that can help you accomplish your specific planning and philanthropic goals. We sincerely hope that you will include us in your plans. If you do choose to make a gift in your will to support our work, please let us know. We can help you plan your gift in a way that is both effective and personally satisfying. You will also help us plan for the future because we know we can depend on your generous support.

Please call us with any questions. We welcome the opportunity to review all of the options and discuss how your gift can play a meaningful role in your planning and in our future.

OUR MISSION:

The Hendricks County Community Foundation partners with generous people to realize their charitable goals while addressing community needs in meaningful and lasting ways.

OUR VISION:

Hendricks County is a vibrant, giving community.

Where Local Good Grows

Hendricks County Community Foundation

William A. Rhodehamel
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