

# Your Legacy Society Best Practices

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*The Episcopal Diocese of Newark*

  
Stewardship Matters

# Disclaimer

This presentation includes an overview of certain charitable gift plans. It is not intended to provide legal, tax, investment, or other professional advice. For assistance in specific cases, obtain the services of a competent attorney or professional advisor.

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# Tonight's objectives

- How to get started and grow a legacy society
- Planned giving vehicles
- Resources for follow up

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# What is a Legacy Society?

A legacy society is a program that recognizes donors who leave future gifts to your church, such as a will, charitable gift annuity, life insurance policy, or trust.

- A legacy society forms the cornerstone of planned giving efforts
- Strengthens the bond between donors and their church
- Promotes participation of members in planned gifts
- Serves as a way to model and share stories of Planned Giving impact

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**WE ARE ONE BODY**

Saint Margaret's Episcopal Church

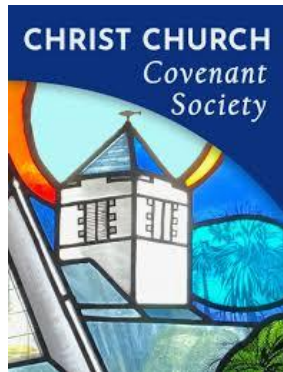
*God has done great things for us,  
and we are glad indeed*



**CHRIST  
CHURCH  
DENVER**

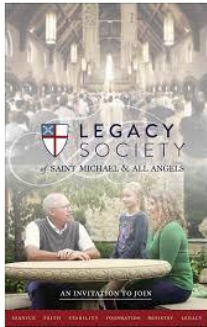


**LEGACY SOCIETY**  
Planned Giving & Large Gifts



DR. AUDREY E. EVANS

*Legacy*  
SOCIETY



*Legacy Giving*

Ensuring the continuation of the St. John's mission through a planned, future gift.



*The Cornerstone Society*  
Planned Giving Ministry at Grace-St. Luke's

# Planned Giving and Legacy Society myths

- In my congregation, people are too (*rich, poor, sophisticated, unsophisticated*) to be interested in Planned Giving
- In my congregation, people are too (*young, old, not old enough*) to be interested in planned giving
- In my congregation everyone already has a will
  - According to PlannedGiving.com, about 68% of Americans lack a valid will. A 2023 survey by LawDepot found that 73% of respondents do not have a documented estate plan.
- In my congregation we can't afford to do a Legacy Society -
  - "If you can afford a cake, you can afford a Legacy Society"

# We are told to ask...page 445

Did you know that there is a counsel in the Book of Common Prayer (BCP) to have a will?

From the Book of Common Prayer, p. 445 "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."

It is "the duty...of all persons to make wills." Having a will or other estate plan is such an important part of our Christian faith and stewardship that it is explicitly addressed in our book of worship.

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# Legacy Society, getting started

- Add language to your Pledge Cards
  - [ ] I/we have remembered [parish name] in my will/estate plans
  - [ ] I/we would like more information on remembering [parish name] in my will/estate planning
- Create/maintain list of those who've remembered the church in wills /estate plans.
- Develop a brochure for tract racks
- Include Planned Giving information on your website

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# Legacy Society, getting started

- Establish a committee to found the Legacy Society
- Have the committee draft invitations
- Draft a list of members who have responded positively to being included in the Annual Parish Report, and could also include on a plaque to be displayed.
- Schedule an annual dinner or lunch to honor members

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## In addition...

**A written endowment policy** should state the purpose of the fund and detail who will oversee it. It should also include how the fund may be invested and spent and how new gifts will be handled.

This document will guide both current and future church leaders, ensure appropriate oversight and communication, and reduce confusion or conflict, especially as conditions at your church may change. It's a good idea to review your endowment policy each year.

**Gift Acceptance Policy** helps church teams navigate complex and sometimes risky donor gifts. A policy helps you consider gifts that may or may not align with your mission, vision, and values. It can help you avoid potential legal and public relations issues, and it helps staff understand how to graciously turn down offers that could carry an unacceptable amount of risk.

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# Planned Giving is not a “campaign”

- Your annual pledge effort can be considered a “campaign.”
  - Beginning and end; Intense communication for a discrete period of time
- Like your broader Stewardship awareness efforts (year-round stewardship), Planned Giving thought of as steady, gentle communication
  - Tie events in on periodic basis

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# Stewardship is the Umbrella

- Primary expression of discipleship
- Stewardship is managing God's assets to accomplish the Great Commandment and Great Commission

Giving for today: Estimate of giving /Pledges

- Plan mission-oriented priorities
- Formulate a financial statement of mission

Giving for the future: Planned Giving

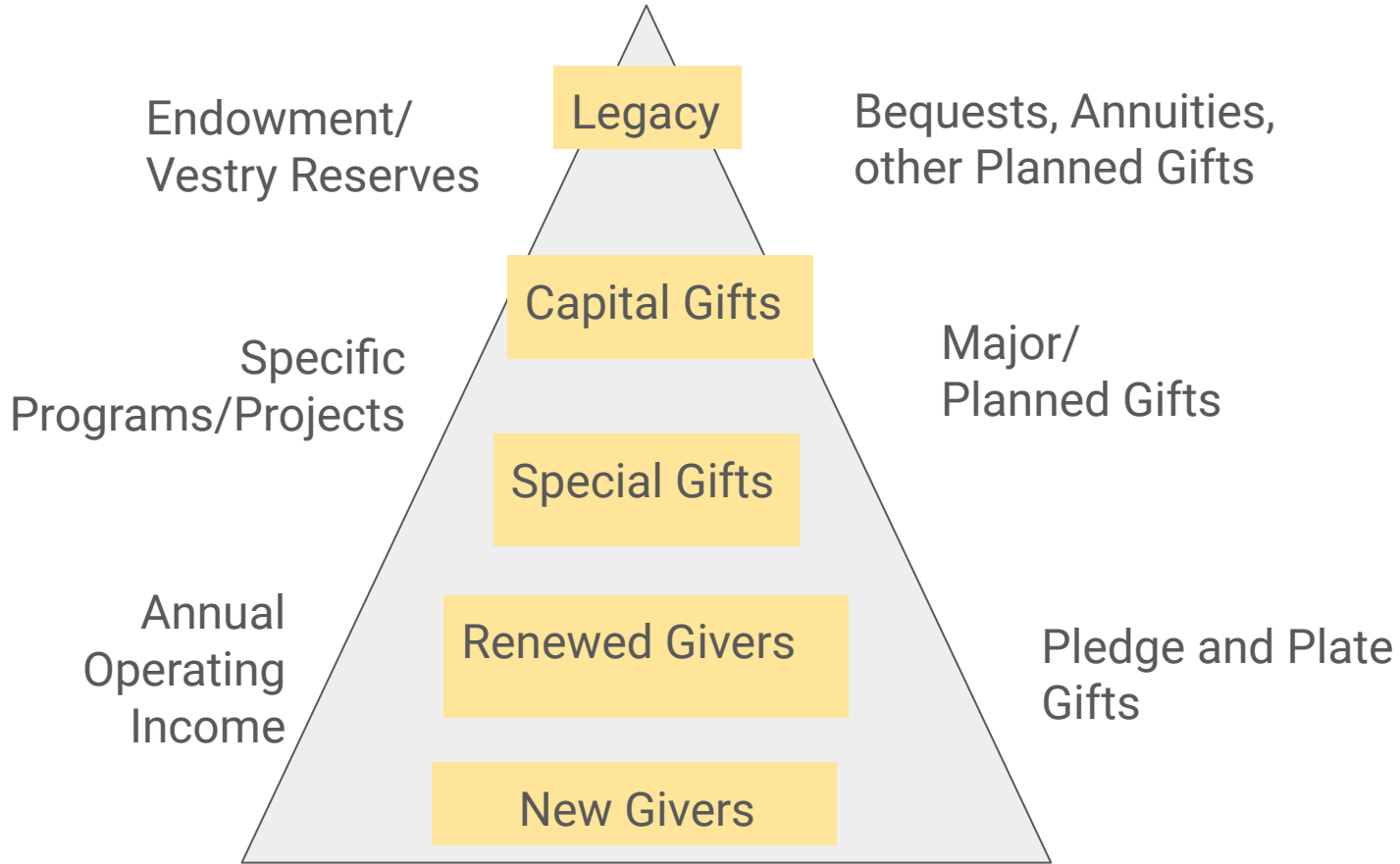
- Provide mission-driven needs outside of operating budget and in future years



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# Faith-Based Giving Pyramid



# What is an Endowment?

- Simply stated, an endowment is a special fund whereby the gift amount or principal is invested and a portion of the income earned on the principal is spent as directed by the endowment agreement. The gift amounts are held in perpetuity
- Legacy gifts do not go into general operating budget - that their legacy gift will disappear is a fear of potential donors
- Many churches permit parishioners to specifically designate or restrict the use of their estate gift for purposes such as music, outreach, or building maintenance.

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# Why leave a Legacy Gift to Your Church?

- To make a significant impact on the congregation and its mission
- To give back - this was important to me, I want to ensure it continues
- To make an impact on family. When my will is read, what will my children and grandchildren learn about my values?

Planned gifts may also - possible lower taxes at death

Provide potential tax savings during one's lifetime

Provide income in lifetime

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#1 reason a person does not leave a planned gift to their church?

No one asked

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# Endowing one's pledge

- Ideal way for some members to support their beloved parish into the future
- Creating an endowed pledge requires a parishioner to include adequate funds, explicitly designated for the church, in the member's estate plans.
- The words “adequate funds” are defined as funds that would annually – in perpetuity – produce interest equivalent to their annual pledge.
  - If, for example, a member's annual pledge was \$5,000, it would require a \$100,000 gift in that person's estate plans be directed to their church. Churches typically take a 4.5-5% annual payout from their endowment.

# Wills

- A simple bequest through one's will: **this accounts for 85% of all planned gifts**
- For those with an existing will, one can add a codicil naming the parish as beneficiary
- A bequest to the parish can be done as a percentage of the remaining assets, or a dollar amount
- Best to know in advance, but often bequests are a surprise
- Note: You do need to make sure people know your legal name, best with street address (another reason for Planned Giving on your website).

*Remember, over half of Americans do not have a will*

# A gift we can ALL give

A simple bequest - a gift to your church that costs you nothing during your lifetime

- Most common of all planned gifts, 85% of all
- Specific amount
- Certain percentage of your estate
- Add a codicil to existing Will
- Church name and address for clarity

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## Also easy

- Retirement Accounts - Traditional IRA, Keogh, 401K, 403B accounts - church can be made beneficiary, partial beneficiary
  - Can save on taxes (taxed to individual's estate if left to family).
- Annual Required Minimum Distribution - From your IRA, Simple IRA, retirement plan account when you reach 72
  - Nontaxable if given to the church, other nonprofit
  - Reduces taxable income



# Gifts we can all give

Did you know, a gift to your church that costs you nothing during your lifetime

- Traditional IRAs, Keough, 401(k), 403 (b)
- Life insurance beneficiary
- Accounts beneficiary - POD

Did you know that gifts of stock can be more beneficial than giving cash?

- Appreciated stock gifts - deduct full value, avoids capital gains tax
- Provides immediate gift to your church
- Helpful for annual tax planning

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# Income Gift Basics

Did you know that you could make a gift to your church and receive an income that you cannot outlive?

## Charitable Gift Annuity

- Older the donor, the higher the return
- Easy to establish
- Offered by The Episcopal Church Foundation
- Large institutions like Fidelity, Schwab, etc.
- Community Foundations

Other options: **Charitable Remainder Trusts (CRTs), Pooled Income funds**

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# Resources

**Episcopal Church Foundation, [www.ecf.org](http://www.ecf.org)**

“ECF is an independent, lay-led and inclusive organization that helps build, vitalize and transform Episcopal faith communities focusing on formation, finance and resources. Our programs inspire and nurture church leaders, help raise and manage financial assets and provide high-quality and innovative resources and ideas to implement throughout the church.”

- **Planned Giving on Demand**, a collection of planned giving resources to empower your congregation’s mission and ministry, including Funding Future Ministry. \$35
- **Funding Future Ministry: Guide to Future Ministry** \$15
- **Planning for the End of Life: Faithful Stewards of God’s Gifts** - 5 booklets \$15
- **Writing your Will: Where there is a Will There is a Way** - 10 pamphlets \$4.25

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# Resources

## **The Episcopal Network for Stewardship TENS.org**

TENS offers webinars throughout the year to vestries, stewardship committees, dioceses, and provinces to help prepare lay and clergy stewardship leaders for pledge campaigns and to talk about year-round stewardship.

- TENS Resource Library: <https://www.tens.org/resource-library/>
- Annual Pledge Campaign Materials: <https://www.tens.org/annual-pledge-campaigns/>
- Password is Ephesians5:2

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# Resources

*One Minute Stewardship, Creative Ways to Talk about Money in Church*, Church Publishing, Inc. 2017, by Charles Cloughen Jr.

Also, *One Minute Stewardship Sermons* 2017, by Charles Cloughen Jr.

*Inside the Mind of the Bequest Donor*, Dr. Russell James

Whole series of Open Access books can be found here

<https://www.encouragegenerosity.com/>

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# Upcoming Stewardship Webinars

**Year-Round Stewardship Formation, Thursday, May 2 7PM-8:30PM** Studies show that when members are formed throughout the year about the impact of their stewardship that they are more likely to support your ministries. Learn best practices to polish your gratitude and abundance responses and develop a toolkit for year-round connection to the mission. <https://www.eventbrite.com/e/year-round-stewardship-formation-tickets-879597107627?aff=oddtcreator>

**Creating Budgets that Meet Ministry Goals. Thursday, May 16 7PM-8:30PM** Does your budget reflect your values? Are you creating a roadmap for your income and expenses that appropriately funds your ministry? Are you emphasizing the mission over the line-items and expenses that make up your budget? <https://www.eventbrite.com/e/creating-budgets-that-meet-ministry-goals-tickets-879600588037?aff=oddtcreator>

**Time & Talent – the “other T’s” of Stewardship, Thursday, June 6 7PM-8:30PM** It takes more than money to make your ministries run! Volunteer management and recruitment, formation and planning, and knowing how to support the creative process in your members can help them unlock the ways they share their wisdom and their works with your congregation. <https://www.eventbrite.com/e/time-talent-the-other-ts-of-stewardship-tickets-879604890907?aff=oddtcreator>

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*Thank you!*

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