



Targeting Your Bequest

If you considering including the church in your will or estate plan, there is an important question to answer: “How would you like your gift to be used?”

There are basically two different questions to be considered:

- 1) Do you wish your gift to be used for the general purposes of the parish, or for some specific purpose such as outreach ministry or youth or education or music? An unrestricted gift lets the funds be applied where most needed, but you may be motivated to support a specific ministry.
- 2) Do you wish your gift to be available for *direct expenditure*, or do you wish it to be part of a *permanent endowment*? With an *endowment*, the principal will be preserved permanently and only the income may be spent. There are advantages and disadvantages to either choice. *Direct expenditure* permits the vestry and rector to spend the gift immediately on whatever seems most important at that moment. The *endowment* alternative, on the other hand, preserves the gift and provides an annual stream of income in perpetuity. (This income is generally 4% or 5% of the value of the gift, as a greater payout would eventually diminish the inflation-adjusted value of the gift.)

Some donors prefer their gift to their parish to fund an endowment fund at the diocese for the sole benefit of the parish, which entrusts fund management with the diocese while letting the parish spend the annual income.

Whether your planned gift takes the form of a bequest from your will or trust, the remainder from a retirement plan, an insurance policy or an annuity, you have these same two questions, described above, to answer.

If a specific use is named, it is prudent to provide some alternative use. For the originally intended purpose may no longer exist. For example, one parish received a large bequest to be used only for church bells—but the codes of that municipality now prohibit public bells. Thus, the gift languishes unused. Allow for some flexibility in the designated use of the gift! Your gift planning officer can suggest options.

Give generously and give wisely. Children yet unborn will be blessed by your faith and your generosity.

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