



WESTERN INDIANA COMMUNITY FOUNDATION

Charitable Giving Today — Looking Forward

Charitable giving today is often about finding a way to make a comfortable commitment. Donors are interested in making effective gifts that fit their unique situations.

Still, many people think, “I can’t give right now because things seem so unpredictable.” This is certainly understandable in today’s economic environment. Nonetheless, there are appealing options to consider — today, a donor can arrange for a gift that will have a real impact in the future. And this gift can be set in place without any disruption to the donor’s current lifestyle.

In this issue of *Visions*, we discuss these valuable but sometimes overlooked ways to give that you might find interesting. To learn even more, please send in the enclosed reply card for our informative brochure, *Introduction to Revocable Gifts*. And, if you wish to discuss a potential gift with us, please call the office closest to you at the number you’ll find on the back page.

Sincerely,

Dale A. White
Executive Director



visions^{IN} PERSONAL PLANNING

Exploring the Options

There are excellent ways of giving that do not require you to open your wallet right now. These are ways of giving that signify your generosity, but the gift itself will only happen some time in the future. We call these gifts “comfortable commitments” because, simply put, you can change your mind if your goals or circumstances change.

When you explore these different options, keep in mind that we are always available to discuss the possibilities with you and your advisors. Finding the best way for our donors to give provides us almost as much satisfaction as the donors enjoy.

We think some of the most popular options for donors seeking a comfortable commitment are:

- beneficiary designations
- charitable bequests
- revocable living trusts

Beneficiary Designations

Personal expressions of charitable giving can take many forms. A very simple way to give is to list our organization as a beneficiary on an insurance policy, retirement savings account, pension or bank account. These types of accounts usually have a “payable on death” designation — meaning that you choose the person to receive the funds upon your death. Your insurer, bank, employer or brokerage house usually requires the account holder to list the beneficiary. You may also, upon request, modify or amend these designations. Listing our organization as a beneficiary for these accounts is an efficient and effective way to give.

Usually, the written statement will ask the account holder to choose a primary beneficiary or beneficiaries and secondary or contingent beneficiaries. The primary beneficiary is the person or persons who will receive the funds existent in the account or due on the account. Secondary or contingent beneficiaries are persons who receive those funds in the event that the primary beneficiaries refuse or cannot receive the funds.

The great advantage of this intended gift is that there is no set obligation. Your eventual gift depends entirely upon whether you want



to keep our organization as a listed beneficiary and is subject to whether you use the intended asset. If you need to use the money in a bank account in an emergency situation, it is available regardless of the beneficiary designation. If you decide that you would rather have an insurance policy on your life made payable to your grandchildren, then you can change the designation. The gift is entirely within your control.

For example, Holly (age 68) owns an Individual Retirement Account (IRA) worth \$145,000 she inherited from her husband. Years ago,

she named her three children as the beneficiaries. However, all her children are financially secure, and the will she drew up last year directs all of her investment portfolio and her real estate to her family — this IRA is just a bit of an outlier and could almost be considered an “extra.”

Holly decides to change the beneficiary designation on the IRA to divide the monies equally between three charities she regularly volunteers for. If she needs money from the IRA, she can take withdrawals — in fact she will need to comply with the required minimum distributions from a tax-deferred account once she reaches age 70½. But, whatever is left in the account will go to support charities specifically chosen by Holly.

Charitable Bequests

A familiar way to give is to include our organization in your will by bequest. There are several different ways to state your bequest and the best way



depends on your estate plan. A popular form of bequest is the percentage bequest, which is the gift of a percentage of the value of your estate. By naming our organization in a will by a percentage bequest, you can be sure that your charitable gift will be in the right proportion — as the value of your estate grows, so does your generosity.

For example, Helen recently sold her house and moved to a new state to be close enough to visit her grandchildren. Once she got settled in her new place, Helen visited a new attorney to draw up a will — always a good idea after a life changing event. Her attorney went through all necessary questions, including whether she wanted to leave anything to charity. Helen had already given this some thought: she wanted us in her will because of the connection she had with our organization and she wanted to continue her support of our programs. She asked the attorney to leave a percentage bequest of 20% to us.

Revocable Living Trusts

A revocable living trust is a financial planning tool that many employ to provide for their living expenses. The grantor funds the trust with assets and selects a trustee to manage its assets and distribution of its income and principal. When drafting or amending the trust, the grantor chooses the beneficiaries who receive the assets of the trust at the death of the grantor.

For example, John recently created a revocable living trust. He placed his investment portfolio, his home, nearly all of his property in the trust — it was a way to put a sound plan in place now so he wouldn't have to worry about it in future years. Plus, he wanted to avoid the cost and burden of a long probate process.

Even though he did not plan to make a will now that his assets would be distributed according to the terms of the trust, John still wanted the satisfaction of leaving his favorite charities a gift. John is a very private person (that is one of the reasons he created the revocable trust) but he still is philanthropically inclined. So, he included those charities along with his family members as beneficiaries of his trust assets.



IMPORTANCE OF INFORMING US OF YOUR GIFT

If you have taken the step to designate our organization as a beneficiary for any purpose, please let us know. We really want the opportunity to thank you. And, if you would like, we can discuss how you would like your gift to be used. It is so important to us that we fully understand the intentions of those who have been so generous to our organization. Please contact our office.

CHARITABLE GIVING — MOVING FORWARD

One thing that is true about nearly every option described in this newsletter is that the gift you plan today as a “comfortable commitment” can be completed anytime in the future! If you have named our organization as the beneficiary on a life insurance policy, you might decide later on to simply give the policy to us. Or, if you specified a gift of \$10,000 to us in your new will, you could instead choose to make a current gift to jump start a new project or program we are putting into action. We appreciate every gift because contributions help make our services possible and because every gift is an opportunity to connect with our donors. Exploring the options is important because these options are always developing.



Careful Planning

Careful planning means anticipating what can go wrong. And careful planning creates confidence that things will turn out all right. A gift made by designating the Western Indiana Community Foundation as a beneficiary on an account, or by listing our organization in a bequest, or naming us as the beneficiary to a revocable living trust are all great ways to give. If you are interested in learning more about revocable gifts, send for a free brochure, *An Introduction to Revocable Gifts*. Please return the enclosed card for your copy, and if we can be of help in any way, feel free to contact us.



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