Charitable Bequests – account for nearly all planned gifts. $22.83 billion were gifted through charitable bequests in 2010. That is a major opportunity to fund your mission. As such, every organization should prioritize celebrating the many virtues of bequests to their constituents. Furthermore, bequests are usually the easiest gift to explain, to understand and to implement. Fortunately, they are the most widely accessible to our constituents and the most impactful gift our constituents may ever make.

Bequests: Why? How?

Taking care of those who are so generous as to consider a gift to us:
Complexities in these gift types make it very important for us to advise our donors to consult with their professional advisers in order to ensure that proposed strategies are appropriate to their overall financial, tax and estate plans.

A bequest is a disposition of personal property in a will; a legacy. A bequest is not the same as a “devise” (a testamentary gift of real property), although the terms are often used interchangeably.

WHY MAKE A BEQUEST? Most of us would love to make a larger gift. While we may have significant assets in theory, in practice we are still using them – assets like our cars, houses, furniture, investments. Yet one day we will have no further use for them, and so we plan on how we will pass them on to enrich those we love – family, church, and the causes that mean most to us. A bequest is the opportunity to lift to a new level those we care about with our “stuff” that we no longer need after we die.

SPECIFIC REASONS. Below are some of the more universal reasons:

- All we are given is a gift from God
- To make a lasting impact even after our time
- Gift of a lifetime - for most, this will be the most significant gift we will ever make
- No need to give anything now – no impact on our assets or cash flow during lifetime
- Share assets once we are finished using them
- Minimal or no cost to add a bequest to a current will
- Can be planned anonymously
- Can be changed at any point during life
- Fully deductible from a taxable estate. Bequests are usually exempt from state inheritance taxes.

HOW TO Make a Bequest

Tools: To make a bequest, an individual needs to compose a new will or living trust instrument if they have not done so already. If they already have a will or living trust, they need only to add a codicil to the present will, or to make an amendment to the present trust instrument.

Guidance: To ensure that the exact intentions can be carried out, encourage the donor to discuss the gift and, when possible, get your help in drafting the language that will accomplish their charitable goals. Then the donor may provide their estate planning attorney with the recommended language. Note that donors will often request bequest language. However, personal situations and state laws vary, so it is best for the donor’s advisor/attorney to decide on the most appropriate text.

Specific bequests: include cash, securities, real estate, other property. The following is frequently-used language: I give, devise, and bequeath to ____________ (org. name, address, TIN), the sum (or asset) of $______________ (or describe the real personal property), to be used for ____________.
**Residuary bequests:** leave the entire remaining balance or part of the remaining balance of the estate to your church or charitable organization after all specified distributions and obligations have been satisfied. The following is frequently-used language: *I give, devise, bequeath to ______________, all (or ___%) of the rest, residue, and remainder of my estate, to be used for ____________.*

**Contingent bequests:** a contingent bequest provides for the disposition of an estate if one or more beneficiaries fail to survive the benefactor. The following is frequently-used language: *If any of the above-named beneficiaries should predecease me, I hereby bequeath his or her share to _________________ to be used for ____________.*

**Other Details: Make It Easy on Yourself and Future Leadership**

**Identify your organization properly.** Make clear your organization’s information, encouraging the donor to include the full legal name, address and TIN or federal tax ID #.

**Shepherd the gifts toward your organization’s priorities:** Encourage the donor to make a gift in line with the leadership’s vision and where your leadership most needs it – usually to endowment or “general purposes” or unrestricted.

**Restrictions:** Consider a donor’s restrictions carefully before accepting a gift. There are certain gifts you may need to refuse – as much as it may hurt. Your organization should have policies governing this, often referred to as “Gift Acceptance Policies”. Know your policies regarding whether and under what conditions and minimum dollar amounts you might accept a restricted gift.

**Why worry about restrictions?** Restrictions often present a burden for future leaders and staff. Also, restrictions put the donor’s intentions at greater risk that the purpose or ability to implement will not be possible in the future. Donors might be more flexible if they understand that their restrictions might hamper their gift’s ability to make an impact or become unusable, or – worse – might have a negative impact on the organization. To make the gift relevant and useful, encourage the donor to make gifts that can be easily usable by future leadership.

**Language for restrictions:** If you do agree to donor restrictions, be certain that the conditions are acceptable to and executable by your organization. Try to encourage the use of language that gives future staff and leadership the ability to adapt to new and changing circumstances. For example, you might recommend the phrase “Establish a fund with a preference for...”. The term *preference* prioritizes the donors wishes but does not oblige your organization if their restriction is not practicable. Another helpful phrase to give the leadership flexibility, “In the event that __________ program is no longer available or applicable, the funds may be used for...”. To get help with specific language, consider contacting your legal advisor or experts from the Presbyterian Foundation, the Texas Presbyterian Foundation or the PEER Network.

**OTHER STRATEGIES**

**Endow annual giving:** A donor may be excited about endowing their annual giving by setting up a permanent fund/endowment fund that pays an annual income to your organization in perpetuity. Generally the bequest is set at 20 times the annual gift for the income to equal the annual gift. The Presbyterian Foundation and Texas Presbyterian Foundation can easily set up a fund for an interested donor.

**Faith Legacy:** Encourage constituents to leave their faith legacy – not just their assets. A Will and Testament are opportune times to share your faith, values and love.
Encourage younger adults, especially families to get a will. Consider holding a wills seminar for young members/constituents to impress upon them the importance of a will and assigning guardians for dependents.

COMMUNICATION

Wills emphasis Sunday: normally in May of each year, but you may recognize it whenever your organization finds suitable. Promote wills and bequests by using resources from the PEER Network, the Presbyterian Foundation and Texas Presbyterian Foundation.

- Articles and insert blurbs
- Rack Cards
- Posters
- Web Pages (Planned giving web pages are a part of PEER Network Membership)