

DEAR BROTHERS AND SISTERS,

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that over a 100-year period about \$2 million in additional ministry will be provided with a gift of \$100,000 now—that's amazing!"

Every person I have ever worked with is a philanthropist. They are giving personal resources for a greater good and purpose. And on this basis, they are just like Bill Gates and Warren Buffet.

As you review this issue of *Giving & Receiving*, consider your philanthropic plans for 2008 and beyond.

If you will return the enclosed card, I'll be happy to send you publications on giving through Gift Annuities and Charitable Remainder Trusts.

You may also visit our website at www.mmfa.info and follow the link to *GiftLegacy*.

If I may be of any help, please contact me at 888.722.7923. Our services are free, confidential, and without obligation. We are happy to be of service.

Paul D. McLaughlin
President



Paul D. McLaughlin has served as President of the Foundation since its beginning and focuses his work primarily on GiftLegacy in addition to sharing responsibilities in the Common Fund. Prior to joining the Foundation, Paul was Vice President of Advancement with Albright Care Services in Lewisburg, Pennsylvania. In addition to a Bachelor's and Master's degree, Paul has also completed studies, as well as taught, at the College of William and Mary's National Planned Giving Institute. He and his wife, Susan, live in Winston-Salem, North Carolina. Paul can be reached by phone or via email at paul@mmfa.info.



Chi-Chi Z. Messick joined the Foundation in 2000 as Vice President and focuses her work on the Common Fund and Morning Star Campaign Services. Chi-Chi earned her Bachelor's degree at Salem College and has attended the College of William and Mary's National Planned Giving Institute. She also brings to the Foundation her previous experience working as Assistant Director of Institutional Advancement at Salem College and serving as Director of Development for WFDD, the public radio station at Wake Forest University. Chi-Chi and her husband, Jack, live in Winston-Salem, North Carolina. Chi-Chi can be reached by phone or via email at chichi@mmfa.info.

GIVING & RECEIVING

Spring 2008

MORAVIAN MINISTRIES FOUNDATION IN AMERICA • 455 SOUTH CHURCH STREET • WINSTON-SALEM, NC 27101
TELEPHONE: 1-888-722-7923 • ON THE WEB: WWW.MMFA.INFO

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Some day I hope to have the opportunity to meet with Bill Gates, Warren Buffet, and other prominent philanthropists of the 21st Century to talk about what brought them to the point in their lives where they intend to give to charity almost all they worked to earn and accumulate. I am sure they would be interesting conversations. But then I step back and think about the hundreds of Moravians I have talked with and aided in their planning and I say to myself: Wow, these are amazing people!

In most cases, they don't think of themselves as "philanthropists," but they are. And what motivates them to give is no different from what motivates Gates or Buffet. They want to make a difference, and they want to make their corner of the world better for future generations. Each person defines "better" in a different way, and this is what makes the conversations so very interesting.

A couple I recently worked with wanted to leave \$100,000 to their church and other ministries. While it is a very significant gift, they asked, "If 5% of the value of the fund is distributed annually, will that make a difference?" I thought to myself—what a great

question, and I want to give them a good answer. So, I asked them if they could give me a little time to run some numbers.

I assumed the fund would grow by 8.75% annually, but 5% would be spent annually on the ministries they want to support. Then I looked at the total distribution over a 5, 10, 20, and 50-year period. Remember, once the fund is established, it will live on in perpetuity—which is a very long time!

When I met with them again, I shared the results. Over a 5-year period, the fund will distribute \$28,500 to their designated causes. Over 10 years, it will produce about \$62,000. In 20 years, it will distribute about \$150,000. Finally, over a 50-year period, their fund will distribute a total of almost \$700,000.

They were astonished. They hadn't thought about their gift in these terms. They didn't imagine that their \$100,000 gift could support \$700,000 in additional ministry over a 50-year period. The wife then said, "I assume

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What and when to give.

CHOOSE THE BEST PROPERTY

Ways to give and save.

The property you choose to give in support of your Moravian church or agency and the way you make the gift can have a significant impact on the amount you can give in light of other personal goals. Here are a few of the more popular ways you may wish to make your gifts.

Cash gifts

Contributions by cash or check are the most common ways to fund charitable gifts. Through careful timing of your gifts, it can be possible to eliminate federal (and perhaps state) income tax on up to 50% of your adjusted gross income (AGI).

Gifts of property

You may wish to consider a gift of stocks, mutual funds, bonds, real estate, or other property. Donating appropriate property that has increased in value may help you avoid capital gains tax and enjoy an income tax deduction for the full market value of the asset in amounts up to 30% of AGI.

Gifts by will or living trust

A will or living trust can be an important way to provide for your church or favorite agency after first taking care of loved ones. Making a charitable gift through your will or trust can easily be accomplished by having your attorney make a simple addition to those documents.

Gifts that provide income

Special ways to give allow you to retain fixed or variable income

for life or another period of time. Giving in this way can provide additional income for you and/or your loved ones. You can also enjoy significant tax savings and other financial benefits.

Retirement plan gifts

You may be aware that funds remaining in an Individual Retirement Account (IRA) or other retirement plan will be part of your estate at death and can be subject to tax rates as high as 45%. But did you know that after payment of estate taxes, your heirs may also be liable for income tax on retirement account assets left to them?

Since the combined impact of estate and income taxes can consume 65% or more of retirement funds, some choose to use these funds to make tax-free charitable gifts through their estates while leaving less heavily taxed assets to family or other heirs.

Gifts through life insurance

You may find that a life insurance policy purchased for the payment of taxes or the protection of a loved one may no longer be needed for its original purpose. In that case, you may wish to redirect life insurance proceeds for your church or Moravian agency.

Take the next step

We encourage you to seek professional advice for help with your will, living trust, or other plans. Ask your benefits coordinator or other financial services provider for the forms required to change beneficiary designations on retirement plans and life insurance policies.

As you consider strategies for accomplishing your personal and charitable objectives for 2008 and beyond, you may want to take the time to do the following:

- Determine the value of your assets and the income they produce.
- Define your goals for the management and future distribution of those assets.
- Review the needs of your loved ones and consider any changes they may cause in your plans.

You may have more than you think!

First, make a comprehensive list of your assets, including their original cost and current market value. This may include:

- Your home, its furnishings, and other real estate.
- Vehicles, valuable collections, and other personal property.
- Checking and savings accounts, certificates of deposit, retirement plans, and other investments.

Be sure to make note of any income produced by certain assets as well.

Shaping up your plans

Next, meet with your professional advisors to set out your personal and philanthropic goals. An attorney, and possibly your accountant, life insurance representative, or other specialist, can help you consider your specific circumstances and structure an estate and financial plan that best meets your needs.

This step may also help relieve you of unnecessary taxation and burdensome administrative details

and decisions, bringing peace of mind to you and those who rely on you for financial security.

The choice is yours

Complete, up-to-date, and legally valid estate plans demonstrate your determination to do everything you can to facilitate the eventual distribution of your assets to heirs and charitable interests.

Charitable bequests need not affect your family's future security. You can choose a number of ways to remember your church or favorite agency in your long-range plans, whether it be a specific property or dollar amount, a percentage of your estate, or naming them as residual beneficiary to receive all or a portion of what's left after you have taken care of loved ones.

Please let us know if we can help you and your advisors as you consider the charitable dimensions of your plans.

ACCOMPLISH YOUR GOALS

Choose the plan that best meets your needs.

MAXIMIZE YOUR GIFTS

Carefully choosing the appropriate assets to give allows you to support your Moravian church or agency while you also:

- Enjoy income tax savings.
- Reduce or eliminate capital gains tax.
- Make larger gifts at no additional cost.
- Create new sources of tax-favored income for you and your loved ones.
- Make better use of retirements plan assets.
- Lessen the impact of estate taxes.

Please call us for more information about the many gift plans available.