

# Sharing Your Blessings

The Endowment Program at  
Sunnyvale Presbyterian Church



## See Your Gifts at Work

Many gifts made to endowment funds come from wills and bequests, precisely because the need for the assets is unknown until the donor's death. However, those who have abundant blessings may find it possible to make substantial gifts to the SVPC Endowment Fund long before death, and thus personally rejoice in the blessing of the gift and its benefit to the life of Sunnyvale Presbyterian Church.

## Types of Bequests

You have a wide range of choices for the kind of church work you can support through a bequest. You may wish to underwrite a special project completely. Or, you may wish your bequest to be combined with other bequests in the SVPC Endowment Fund.

Note that all opportunities to remember the church in your will also apply to revocable trust bequests.

### Undesignated Bequest

One of the most useful ways you can give to the Fund is the undesignated bequest to the Gifts and Endowment Fund of Sunnyvale Presbyterian Church. Since it is impossible to predict the needs of Sunnyvale Presbyterian Church ten, twenty or fifty or more years in advance, such undesignated bequests allow the Fund to survey the needs of Sunnyvale Presbyterian Church, and, with concurrence of the Session, apportion the earnings where they will do the most good.

### Designated Bequests

Designated bequests are ones where donors specify the cause or causes they support. After conferring with a member of the Endowment Committee, donors may make their bequests to the Fund and designate that the income and/or the principal be used for the purpose(s) named, as approved by Session.

# Types of Gifts

Different types of gifts provide different advantages and considerations for the donor. Here are some examples:

## 1. Securities and Real Estate

More than 32,000,000 Americans own securities (stocks, bonds, mutual funds), and still more own real estate. If you give real estate or securities which have increased in value, your donation may allow you to deduct the value of the securities or real estate at the time of the gift, and you are not subject to capital gains tax on the appreciation in value. This may be subject to certain limitations and tax laws may change, so it is wise to consult your tax advisor.

## 2. Gifts In Kind

Works of art, coin collections, jewelry, antiques, etc., can be suitable charitable gifts. However, the deduction may be limited to your cost or other basis if the donee does not use the property as part of its charitable function. You should consult your tax advisor before making a gift in kind because the tax treatment for such items can be complicated and you may need to have an appraisal made by a professional appraiser before the gift is given.

## 3. Life Insurance

Many people do not realize that life insurance policies or dividends paid on the policies make practical gifts. You may have policies which you no longer need for their original purposes — to protect children who are now independent, or relatives who are now deceased, or a business now prosperous and secure. Or, you may have purchased life insurance to pay estate taxes which have been reduced or eliminated by tax law changes in recent years. Such policies make excellent gifts.

You can give a fully paid-up policy, and may be able to reduce your taxable income by the amount you paid for the policy, or its replacement cost, whichever is less. You can give policy dividends by notifying the insurance company. The amount of the dividends given may be deductible from your taxable income each year.

You can buy a new policy and name the SVPC Endowment Fund as the irrevocable owner and beneficiary. The premiums may be deductible from your taxable income as charitable gifts.

You can name the Fund as the primary beneficiary of all or part of the death benefit, or as secondary or final beneficiary to receive proceeds if your first beneficiaries do not survive you.

For any of these options, consult with your tax advisor first.

# Suggested Forms of Bequest

## 1. General Bequest

This is the simplest form of bequest, whereby a person bequeaths a stated portion of their estate to the Fund, without any conditions attached.

*“I give and bequeath to the SVPC Endowment Fund, \_\_\_\_ percent of my estate after all costs have been paid, to be used for the general program of Sunnyvale Presbyterian Church.”*

or

*“I give and bequeath to the SVPC Endowment Fund the sum of \$ \_\_\_\_ (and/or the securities or other property described herein, namely \_\_\_\_), to be used for the general program of Sunnyvale Presbyterian Church.”*

## 2. Bequest — Income Only To Be Used

*“I give and bequeath to the SVPC Endowment Fund \_\_\_\_ percent of my estate after all costs have been paid (or the sum of \$ \_\_\_\_ and/or the securities or other property described herein, namely \_\_\_\_), to be invested by the Fund so that the income only therefrom may be used for the general program of Sunnyvale Presbyterian Church.”*

## 3. Designated Bequest

This provides a sum of money for a specific or designated project or program of the church.

*“I give and bequeath to the SVPC Endowment Fund \_\_\_\_ percent of my estate after all costs have been paid (or the sum of \$ \_\_\_\_ and/or the securities or other property described herein, namely \_\_\_\_), to be invested by the Fund so that the income therefrom may be used only for the capital needs of the church.”*

Or, your will can specify that the principal be used for the Session-approved purpose.

## 4. Residuary Bequest

This is a provision in a will, leaving the remainder of your estate to the Fund after all other bequests are fulfilled.

*“The rest, residue and remainder of my estate, both real and personal, wherever situated, I give, devise and bequeath to the SVPC Endowment Fund to be used for the general program of Sunnyvale Presbyterian Church.”*

If you wish, you can specify that the principal be invested by the Fund, and that only the income be used. And, you can designate the specific program or project if you wish to do so, assuming it is approved by Session.

## 5. Contingent Bequest

This bequeaths to the SVPC Endowment Fund any part of the estate which other beneficiaries are unable to receive because of death or other reasons.

## 6. Bequests Providing Life Income

Because of the actuarial nature of bequests which provide life income or gift annuities, it is suggested that such bequests be made to the Presbyterian Church (U.S.A.) Foundation, with the SVPC Endowment Fund as the beneficiary of the contingent or residual principal. Members of the Management Committee can direct donors with such intention to a local representative of the Presbyterian Church (U.S.A.) Foundation to coordinate the details, including the tax aspects of this type of bequest.

## Suggested Forms of Bequest *(continued)*

### **7. Testamentary Charitable Remainder Unitrust**

This is an arrangement in a will whereby property is placed under the management of a trustee, either a person, or a bank or trust company. It does not become operative and binding until the death of the donor. The donor provides that the income from the trust (up to a fixed percentage of the value the trust corpus determined yearly) will be paid to any person designated for the duration of his or her life, and that, on the death of the designated person, the entire trust property be given to the SVPC Endowment Fund. This arrangement may reduce federal estate taxes which otherwise would be payable at death.

### **8. Bequest To Trustee With A Contingent Bequest**

Where a trust is established by will or living trust agreement, with income to designated beneficiaries, the principal to be distributed at their death to their children, the SVPC Endowment Fund may be named as contingent beneficiary to receive the funds in case none of the final beneficiaries survives.

### **9. Devise Of Real Property**

*"I give and devise to the SVPC Endowment Fund all that certain property (here insert the location and description), with the appurtenances thereto, in fee simple, to be used for the general program of Sunnyvale Presbyterian Church."*

### **10. Memorial Gifts**

If it is desired that a bequest be held by the SVPC Endowment Fund as a memorial to the testator or someone named by the donor, the following may be added: *"This bequest (or devise) shall be known as the "\_\_\_\_\_ Memorial Fund."*



### **Disclaimer**

The information in this brochure is intended for informational purposes only. It is recommended you consult your attorney and accountant for legal and financial issues which relate to your specific situation.

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