



VOICE OF LEGACY

2006 Foundation Board

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Trust Funded by a \$2 Million Commercial Building Gives Charity \$700,000 and Children \$5 Million

A couple had a \$2 million commercial building, fully leased with fixed monthly payments. The advisor informed them that if they used this \$2 million property, they could reach their objectives of donating to the charity and leaving their children an income for life.

The couple was delighted with the plan. They stated that they would be helping to strengthen the charity and to still provide their children with a great lifetime inheritance with no gift tax.

Example: Trust income for the first seven years provided \$700,000 to the charity. At the end of the seven years, the building increased in value to \$3.1 million, which provided the two children with an income of \$180,000 per year, or \$5 million over their lifetime.

Lead to Remainder Double Charitable Trust

The building is transferred into a *charitable lead trust* and pays the charity \$700,000 over seven years. After the seven years the building can be given to a *two life remainder trust* for the children. This is how it works:

The building is transferred into a seven year lead trust, and the 5% net income from the building pays the charity. *When you fund the trust, there is a gift tax charitable deduction and, with exemptions, you will pay no gift tax.* After seven years the building's value went from \$2 million to \$3.1 million. It is then given to the 6% charitable remainder for the lives of the children. In the unitrust, the building can be sold and take the proceeds and reinvest. With \$3 million after-sale costs in the unitrust, payout is about \$180,000, so each child will receive \$90,000 per year, the unitrust increases in value, their income will also increase. Over the lives of the children each should receive about \$2.5 million.

(Actual case file)

IRA CHARITABLE ROLLOVER

The Pension Protection Act of 2006 may offer you new opportunities for tax-free charitable giving. Of special note, the new law includes incentives for those 70-1/2 years of age and older who would like to make charitable gifts from potentially taxable Individual Retirement Account (IRA) funds during tax years 2006 and 2007. Giving this way assures that these funds will never be subject to income or estate tax. **Act now**, and enjoy the full benefits of this two-year opportunity. The transfer must be completed by December 31 of the year in which the tax deduction is taken. Check with your advisors about the best way to take advantage of these new giving opportunities. As always, the Foundation will be pleased to assist you. *Call the Foundation's advisor today at 559-908-9527 or 559-268-0839 x 201.*



Leaving a Legacy

“Jesus Christ said more about money than about any other single thing because when it comes to a man’s real nature, money is a man’s true character. All through Scripture there is an intimate correlation between the development of a man’s character and how he handles his money.”

Richard
Halverson



STEWARDSHIP

“Do not lay up for yourselves treasures on earth, where moth and rust destroy and where thieves break in and steal; but lay up for yourselves treasures in heaven.”

1 Matthew 6:19-20

Is Your Financial Plan Up To Date?

Your Will and related plans should be reviewed regularly to reflect changes in financial and family situations, tax laws and other factors. Call The Foundation at the Mission today for an appointment with a professional advisor.

Reverse Mortgage vs. Charitable Gift Annuity

You can receive answers to your questions on why a Charitable Gift Annuity could save you interest, fees and taxes...call our professional advisor today!

Wills

Take charge of your estate by planning your future... create a Will today! Whatever the future holds, a well-planned Will is often the centerpiece of an effective and thoughtful estate plan. More than half of all adults don't have a Will, and by preparing and maintaining an up-to-date Will, you may save your heirs a lot of heartache. The Foundation at the Mission provides advisors free of charge to help you ask the right questions in preparing your Will. Call today to make an appointment!

The Foundation at the Mission

DONATIONS

NEEDED

Land, Homes,
Apartment Complexes,
Commercial Buildings,
IRA's, Securities &
Vehicles

Building ... for the Future!

Did you know...

The sole purpose of *The Foundation at the Mission* is to develop financial sources to support the ministries of the Fresno Rescue Mission.

(559) 908-9527 or (559) 268-0839 x 201