



PARTNERS IN MINISTRY

November 2006 Volume 6, Issue 3

Message From The Executive Director

On Sunday, November 5, United Methodist churches across Nebraska celebrated Legacy Sunday through the sharing of information about how church members can leave a lasting legacy in their churches.

Thank you to the pastors and churches who celebrated Legacy Sunday, and thank you to our many United Methodists in the Nebraska Annual Conference whose legacies of giving beyond their lifetimes will live on for generation after generation.

Churches were encouraged to include time during their Sunday morning services to recognize the members of their congregations who have made current gifts or planned gifts to their church's Endowment Fund. Members can also support church growth through funding for new ministry. Growth is essential for our churches' longevity.

The Foundation is proud to be able to serve the churches and members of our Conference through our planned giving and estate planning services. We look forward to helping you find the best way to turn your dream into a reality.

New Tax Laws - New Opportunities

Two tax laws – one at the Federal level and one at the State level – were enacted in 2006 for the purpose of encouraging additional charitable giving. Following is a brief overview of each new law:

The Pension Protection Act of 2006, enacted by the U.S. Congress, contains provisions to strengthen America's retirement systems as well as to provide opportunities for tax-free charitable giving.



JIM HELLER
Executive Director

Highlights of the "PPA" include:

- Law is in effect for years **2006 and 2007**,
- Donors must be at least **70 1/2**,
- Gifts must be to **qualified charities**,
- Must be from either **traditional or Roth IRAs**,
- Gifts can total up to **\$100,000** per year.
- There is **no income tax** payable on the amount gifted.
- Gift must be "rolled over" directly from the IRA account to a qualified charity.

There is no charitable income tax deduction allowed, but neither does the amount gifted from the IRA count toward the donor's income during the year the gift is made. In some instances, donors may wish to gift their "required minimum distribution" from an IRA simply to avoid more of their Social Security benefits being taxed.

In addition to the income tax savings associated with gifts from IRAs, such gifts will also escape any future estate taxation.

The provisions of the PPA will affect each individual differently, so it will be important to consult a tax accountant when planning gifts from IRAs.

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Foundation Staff

Jim Heller

Executive Director
jheller@numf.org

Sarah DeLong

Foundation Assistant
sdelong@numf.org

Rosanne McClarnon

Financial Administrator
rmclarnon@numf.org

What Can A Charitable Gift Annuity Do For You?

1. What Is a Charitable Gift Annuity (CGA)?

A CGA is a combination of a gift to charity and an income-producing annuity for the person(s) making the gift. After the annuitant's lifetime, the annuity's remainder value passes to the church or other designated charity.

2. What Are the Income Tax Benefits?

A portion of the amount gifted is eligible for a charitable income tax deduction. Normally, the eligible amount ranges from 40% to 75% of the gift amount.

A portion of the income payments are received free of income tax. If an annuitant survives past his or her life expectancy, all later payments will be ordinary income.

3. What Property Can Be Gifted in Exchange For a CGA?

Cash or appreciated property may be transferred to charity in exchange for a CGA. The transfer of appreciated property can generate very favorable tax results.

4. What Are the Advantages of a CGA?

Gift annuities are most attractive to senior persons because the high rates and guaranteed, fixed income payments can provide peace of mind and allow the more senior person to more easily plan for the future.

5. What Institutions or Organizations Offer CGAs?

Gift annuities are available **only** from **nonprofit** institutions and organizations that choose, and have the financial capacity, to do so. Most colleges and universities offer CGAs, as do some hospitals and other organizations. Few, if any, churches offer CGAs, but the **Nebraska United Methodist Foundation** provides this service for the churches and ministries of the Nebraska Annual Conference.

New Tax Laws - New Opportunities

Continued from page 1 - **Legislative Bill (LB) 1010**, enacted by the Nebraska Legislature in 2006, came about as a result of rulings relative to LB28, which was enacted in 2005.

To summarize the section of LB1010 that deals with charitable gifts, **Nebraska taxpayers** can enjoy the benefit of an **income tax credit** for gifts to **qualified endowment funds** of Nebraska-based, qualified charities.

Donors will want to look at assets **other than** their IRAs for LB1010-qualified gifts. Highly appreciated assets, such as stocks that have been owned longer than one year, will provide additional tax advantages.

As with the PPA (described above), individuals wishing to take advantage of the tax benefits provided through LB1010 should contact their tax accountant.

Board Officer Honored

In celebration of National Philanthropy Day 2006, the Nebraska Chapter of the Association of Fundraising Professionals (AFP) held a luncheon and awards ceremony on November 15 to honor companies and individuals who have given generously of their time and resources to the state of Nebraska.

Foundation Board Chair, **Kim Dinsdale**, and her husband, **Tom**, received the Outstanding Philanthropists award. Kim and Tom reside in Grand Island and are active in a variety of organizations within their community and the state. Kim has served on multiple boards and continues to volunteer her time and talents. Kim and Tom are also members of the Five Hearts Society in the Foundation's "Gifts From the Heart Endowment Fund."

The Foundation would like to congratulate Kim and Tom on such a well-deserved award!

Mission Accomplished...Mission Ongoing: One Church's Story

In 1978, a rural church in the South Central District opened an endowment fund at the Foundation. The initial deposit, a gift of \$3,000 from a family in the church, was to provide scholarship support for high school graduates who were members of the church and were going to attend college. Additional deposits of \$2,000 in 1979, and \$1,500 in 1987, were subsequently added to the Fund.

Total deposits to the Fund equaled \$6,500.

Beginning in 1980, the church awarded scholarships in amounts ranging from \$250 to \$500 annually. The total amount of scholarships awarded through June 30, 2006, \$11,500, now exceed the church's total



Albion First United Methodist Church

deposits to the Fund by \$5,000.

Due to the church's commitment to create this Fund, the foresight to invest the Fund's assets for both growth and income, the perseverance to ride out the ups and the downs of the market, and not attempting to time

the market nor succumb to temptations to chase the next "hot" investment, the Fund's \$11,500 in distributions, and June 30, 2006 current Fund balance of \$10,061, now total \$21,561.

With the Fund's net gain of \$15,061, or 232%, since inception, the church can take great pride in the decisions that were made in 1978 and the investment discipline that has since been exhibited. However, the donor's and church's greatest pride shall forever rest in the recognition that this Fund has accomplished, and will continue to accomplish, that for which it was intended...to encourage and support the church's youth in furthering their education.

Albion First UMC, congratulations!

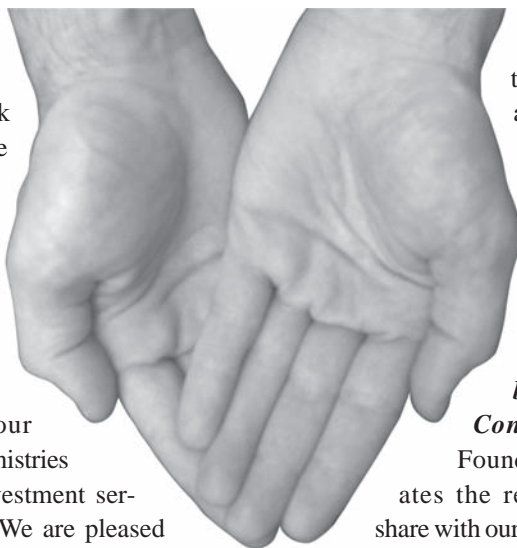
We Are Thankful For...

Our Churches and Ministries -

God's presence and influence in our lives is due in part to the United Methodist churches and ministries located in our communities. These institutions and organizations make it possible to perpetuate God's work today and in the future.

Our Account Holders

- The Foundation continues to appreciate the opportunity to serve our churches and ministries through our investment services program. We are pleased to be able to offer a diversified, socially responsible portfolio to meet the current and future needs of our investors.



The Friends of the Foundation -

To those people who have left, or have planned to leave, a legacy for their favorite church or ministry, furthered the Foundation's mission, and supported God's work in our communities, we extend a most heartfelt "thank you." Our donors impact the lives of others throughout the state.

The Nebraska Annual Conference -

The Foundation appreciates the relationship we share with our Conference and the support we have shown one another over the years.

To all of you with whom we have been partners in ministry, thank you!

Former Executive Director Passes Away

On October 28, 2006, Rev. Fred Loder, former Foundation Executive Director, passed away.

Rev. Loder was a long-time supporter of the Foundation and its mission, even well after his tenure.

We appreciate everything Rev. Loder did to further the Foundation's mission and support the local churches and ministries of our Conference.



Nebraska United Methodist Foundation
100 W. Fletcher Ave., Ste. 100
Lincoln, NE 68521-3867
402-323-8844 or 877-495-5545
info@numf.org • www.numf.org

THE NEBRASKA UNITED METHODIST FOUNDATION
100 W. Fletcher Ave., Ste. 100
Lincoln, NE 68521-3867

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To learn more about current and planned gifts, Charitable Gift Annuities, investment services, scholarships, or other Foundation services, please contact us at 402-323-8844 or 877-495-5545, info@numf.org, www.numf.org, or complete and return this form. Your gift in support of the Foundation's mission is appreciated.

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ E-mail: _____

Church: _____ Church Phone: _____

I/we would like more information about: _____

Please: Call E-mail Send Information Schedule a visit
 A gift in support of the Foundation's mission is enclosed.

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