Endowment Committee Talk at Service

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You ‘ve heard about the $1mm donation to our endowment from an anonymous donor.

And, you’ve heard that an endowment campaign is getting underway to provide for the future of USH.

And, you’ve heard that the endowment supports special projects, e.g., sanctuary lighting and our new safety program. And you know that the endowment helps support regular building maintenance and a portion of each year’s operating budget.

This is the first endowment campaign at USH in decades and we hope that each of you will consider joining us in giving.

The decision of how much to give and when is a very personal decision.

This morning, I’d like to provide information about some of the WAYS you can give, and to mention some of the potential tax advantages of giving.

But before I do, I have a disclaimer: I am NOT giving tax advice this morning. I am just pointing out a few areas that you might want to investigate further before you decide how to give.

Cash is always a nice way to give, and for USH to receive. Cash can be contributed in a one-time payment, or you can make a commitment to pay over a three-to-five-year period. The cash will go into the endowment and be invested by our professional investment advisor in accordance with our investment policy.

A VERY LARGE cash contribution—Just Saying—in any one year would of course allow you to itemize deductions that year and get a large tax benefit.

Another way to contribute cash is from your traditional IRA. If you are in the older age group that is required to make a minimum withdrawal from your traditional IRA each year, you know that those withdrawals are fully taxable. However, if some portion of your RMD is paid directly to USH, you will not pay tax on that portion. As you may know, this is called a Qualified Charitable Contribution or QCD.

Another way to contribute is to contribute appreciated stock. USH will immediately sell the stock and add the cash proceeds to the endowment to be invested. If you were to sell the stock yourself, you would pay a capital gains tax. If you contribute the stock to USH, USH receives the full market value of the stock, and no capital gains tax is paid.

But you may feel you aren't in a position to give right now, or to give only a small amount and want to give more. Then legacy giving may be for you.

Legacy giving is a commitment to contribute at some point in the future, usually upon your death. A legacy gift, although not payable until sometime in the future, is still of great value to USH because we know the endowment will continue to grow and the future of USH will continue to be protected.

A legacy gift can take several forms.

- It can be a charitable bequest in your will or trust. If you already have a will, you can execute a codicil, or amendment, to add USH as a beneficiary. A charitable bequest can be any dollar amount, a particular asset, a percentage of your estate, or the residual of your estate.
- Alternatively, you can designate USH as a beneficiary of a retirement plan, a financial account or a life insurance policy. USH will pay no taxes when funds are received while other beneficiaries may have tax consequences. For example, a traditional IRA, if inherited by someone who is not your spouse, can be subject to unexpected taxation.

This morning, I've covered the most common ways to give. It should be noted that these options are not mutually exclusive, and you can, for example, make a cash contribution in the short-term, and include USH in your will.

Most important, however, is your participation in the campaign, no matter the amount or the method by which you make your contribution.

In closing, I again want to caution that tax law is complex and applies differently depending on circumstances. As you consider ways to make your contribution to the endowment campaign, AND WE HOPE THAT YOU WILL, I beg you, don't consider anything I said this morning as tax advice. I intended only to provide an overview of where some potential benefits may lie. Please, please, please consult your own tax advisor, accountant, or estate planning attorney.

Thank you.