

Deferred Giving and Planned Giving

Over the next few weeks our parish is making plans and laying the foundation to begin our *Holy Family Parish: One in the Spirit* Capital Fund-raising Campaign. During the campaign, we are going ask our parishioners to make “statements of intention” (non-binding pledges) payable over the next three to five years to underwrite our important campaign goals. However, for those parishioners for whom it may apply, we are asking them to also think a little more “long term” concerning giving and their stewardship response just as hospitals, universities and museums have asked of their donors for years. We are requesting parishioners, in addition to their present pledges and donations, to also consider “deferred gifts” or “planned giving.” By deferred gifts we are referring to a gift that is divided into a present interest and a future interest, where the donor irrevocably gives one interest but either personally retains the other interest or retains it for another beneficiary. Simply, a donor may give a gift for the parish to use at the current time, but sometime in the future either the donor, or another person(s) designated by the donor gets the principle or some part of the gift back for that person’s use. For this reason, deferred gifts are sometimes referred to as a split-interest gift. By planned giving we are referring to gifts made now, yet the donor retains present interest in the gift and gives the future interest to the parish, simply – you don’t defer making the gift, but only defer the time when the parish may enjoy the benefit of the gift.

The Internal Revenue Code recognizes various basic types of deferred gifts, including: charitable remainder annuity trusts; charitable remainder unitrusts; pooled income funds; and charitable lead trusts. Another method of giving, not technically a deferred gift, is the charitable gift annuity, a contract entered by a charitable organization and a donor to provide a lifetime annuity for up to two persons, in exchange for a current gift. Other donations are also considered deferred gifts under certain circumstances: charitable gift annuities; real property, if the donor retains a life interest in the property; life insurance, if premiums will be paid to maintain the policy rather than surrendering the policy for cash; installment bargain sales; and externally held trusts, if they are charitable remainder or charitable lead trusts.

If all these terms sound rather confusing or technical – the fact is they ARE rather confusing and technical, and often require the assistance of a financial planner or accountant, and sometimes an attorney to establish. But the simple fact to remember is, if you have some accumulated funds or other assets you would like to share with the parish to underwrite its ministry, but you also want to make sure your other loved ones and heirs are adequately provided for, it doesn’t have to be an “either/or” decision. Deferred gifts and planned giving can allow you to do “both/and” – provide for your parish and also fulfill your stewardship responsibilities to your loved ones and heirs; while also often providing significant tax saving advantages to the donor. If you have any interest in exploring the possibility of making a deferred or planned gift to the parish as a part of your stewardship response to our capital fund-raising campaign, please call the parish office and we will put you in touch with trusted advisors who can counsel you as you consider this stewardship option.