



# **Community Foundation of Southeast Kansas FULL CIRCLE**

A Publication of the CFSEK Gift Planning Program

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## **EXPAND YOUR CHARITABLE POTENTIAL THROUGH THE USE OF REMAINDER GIFTS**

Many donors choose to leave assets to charity upon their deaths. After assuring that their loved ones have been cared for, donors can use a variety of assets, such as pension plans, life insurance or even the proceeds from the sale of a house, for charitable purposes. In addition to leaving a bequest of cash to charity through a will or trust, donors may want to discuss the following options with their personal advisors:

### **IRA or Retirement Plan Assets**

Chances are that you have been putting away money for years in an IRA or other qualified retirement plan. If you are like a growing number of Americans, that IRA may be your largest single asset. Your intentions may be to pass this nest egg on to your beneficiaries for future use. But you may not realize the massive tax bite the plan is subject to once it is passed on. That legacy intended for your loved ones could amount to just 20 cents on the dollar as a result of the combined estate tax and income taxes on the IRA.

Using an IRA to make a charitable gift can pay real dividends in the community. By making a charitable gift of an IRA plan, you have an opportunity to avoid the double tax bite of estate and income taxes *and* establish a wonderful charitable legacy in your community.

### **Life Insurance**

Perhaps, you would like to contribute the proceeds of a life insurance policy to help the community. By naming the CFSEK as the beneficiary, you retain ownership of the policy and have access to the cash value as well as the right to change the beneficiary.

## **TRUSTEE MESSAGE: Mr. Richard Oler, CPA ABV**

### **BENEFICIARY DESIGNATIONS**

A review of beneficiary designations is often overlooked by people when doing their estate planning or when there is a significant change in their life circumstances. Marriage, births, divorce and deaths are all events that trigger the need for you to review beneficiary designations.

Life insurance, annuities, IRA's and retirement plans all provide for the designation of a beneficiary to receive the proceeds upon your death. The designation, once made, remains in force until changed by the owner. If you fail to make the designation, most accounts pay the proceeds to your estate.

Beneficiary designations take precedence over your will or your trusts. Thus, it is important to coordinate planning for beneficiary designations with your will and trusts.

It is possible to name the Community Foundation of Southeast Kansas as the beneficiary of life insurance, annuities, IRA's and retirement accounts. In fact, this is an excellent way to reduce Federal and Kansas estate taxes and to provide a legacy for charity.

Contact Chris Ward or Kim Clark at the CFSEK for more information.

## **WAYS TO GIVE**

**How Can I Give?** The Community Foundation of Southeast Kansas offers a wide range of gifting options. Easy, flexible options include giving now through current, out-right gifts or giving later through bequests, memorials, wills, etc. The CFSEK accepts gifts of many types. Some of the most common include the following:

**Gifts of Cash and Securities.** A gift of cash is a simple way to establish a fund or add to an existing fund at the CFSEK. Gifts of appreciated securities (bonds and stock, including stock in closely held companies) also may be used.

**Bequests.** Bequests of cash or property through a will are usually deductible for federal and state tax purposes.

**Memorials.** Memorials made in memory of a deceased person or in honor of living persons are testimonials that "make a difference."

**IRA/Retirement Plan Assets.** By gifting your IRA/Retirement Plan assets to a charitable organization, you can avoid the double tax bite of estate and income taxes.

**Life Insurance.** Life insurance policies can be used as charitable gifts. If the CFSEK is named as the owner and beneficiary of the existing or new life insurance policy, the donor will receive an immediate tax deduction.

**Charitable Remainder Trusts.** Charitable remainder trusts enable the donors to provide a lifetime income to themselves or to beneficiaries and leave the remainder of the estate to the CFSEK.

## **CHARITABLE COMMUNITY CONNECTIONS**

*A community is only as strong as the connections among its people...*



Kim Clark  
Development Director

Everyday, it becomes more and more obvious to us at the CFSEK that southeast Kansas is unique. Our area is comprised of communities that value their civic pride, their quality of life, and their capacity for caring. Recently, I had the privilege to participate in a conversation with a donor as he outlined grant making guidelines for a fund that will be established from the proceeds of a gift from his estate. He wanted to clearly define in his agreement with the CFSEK that the grants from his fund were to remain within a specific community. “After all,” he said, “when the time comes that I no longer need the income, it seems only right that these charitable dollars can go back into the community where they were earned and be put to work again.” Obviously, this donor feels a deep connection to his community and as a result, countless generations will benefit.

As always, we extend our heartfelt gratitude to not only the donor mentioned above but to all of our donors who have named the CFSEK in their estate plans. We know that there is always more to be done to build the bonds between the CFSEK and area communities. We look forward to making our own connections to the causes that are important to you. After all, that is why we are here...for you and your families, for your communities, for generations to come.

## **DONOR EXAMPLE : GIFT OF LIFE INSURANCE**

When his two daughters were young, Zachary Ding bought a life insurance policy to provide for his family in the event of his death. Now, he’s 65, and things have changed. “My daughters are both grown and doing very well for themselves, and over the years, my wife and I have become fairly comfortable. Honestly, my wife will no longer need the death benefit from my policy,” says Zachary. The Dings support and volunteer for a local youth mentoring program, as well as their local animal shelter. “We’ve always planned to leave something to important community organizations when we pass,” says Zachary. After talking with his financial planner, Zachary decided to give his life insurance policy to the local community foundation. “After giving my policy, I received a significant charitable tax deduction,” says Zachary. “We had owned the policy for so long that we could choose to stop paying the premiums and maintain a sizable death benefit.” The Ding Fund will be established with the proceeds from the insurance policy to benefit youth development, the local animal shelter, and other community organizations.



# **COMMUNITY FOUNDATION LEGACY SOCIETY**

The Community Foundation of Southeast Kansas' Legacy Society was created to thank and recognize individuals who want to make a lasting contribution to their community through a will or trust. Membership in the society is simple: notify us that you have made or intend to make a planned gift or bequest to the Foundation.

You are invited to join in this tradition of extraordinary generosity by adding your name to the list of others who have realized the importance of philanthropy. We value the opportunity to thank donors now and show our appreciation for their generosity during their lifetime. We hope you will give us the opportunity to honor your visionary giving as you prepare to invest in the SEK area.

This newsletter was not intended or written to be used, and it cannot be used, for the purpose of avoiding tax penalties that may be imposed on the taxpayer. If you have questions about the articles in this newsletter or would like more information, please contact the CFSEK office at 620-231-8897 or cfseked@mobil1.net.

**“Be life long or short,  
its completeness depends on  
what it was lived for.”  
- David Starr Jordan -**

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