

Our Story.

Why IHS Foundation?

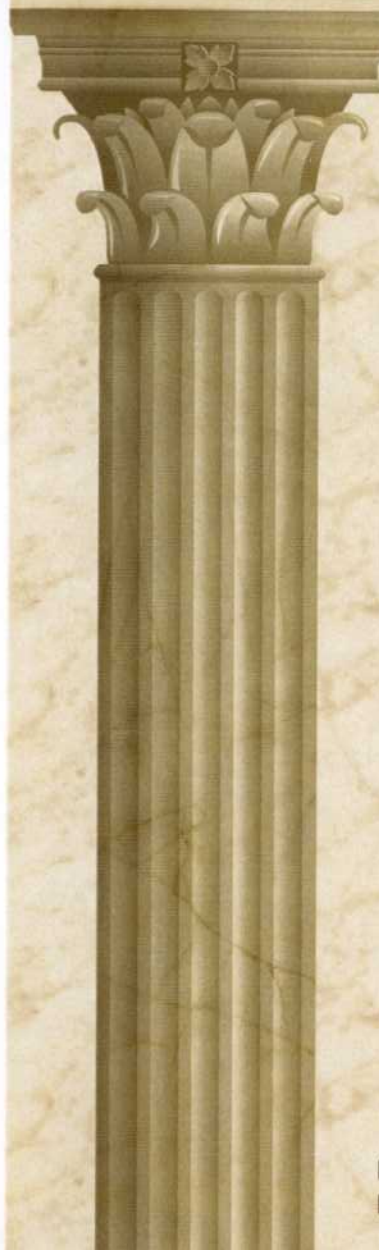
Partnering with a public, Christian Community Foundation made a lot of sense to our Board as we considered establishing an endowment. IHS offers a sound approach to endowment administration, investment management, and helping donors with complex gifts. When you make your gift to our endowment with IHS, you can rest assured that it will be used in the way you intend.

IHS Trustees: John Jazwa, Gordon Heffern, Anthony Ciepiel, Arthur Holmes, Thomas Yancy, Dwight Short, Jerry Jazwa.

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*"And now abides
faith, hope, charity, these three;
but the greatest of these is charity."
-1 Corinthians 13:13 (KJV)*

Our Endowment



In His Steps
Foundation



What Are Creative Gifts?

I. Wills and Bequests

Many Christians relate to the concept of giving to the Lord's work (tithe) as part of their last will and testament. A bequest by Will for either a fixed dollar amount or a percentage of the estate value is the most popular creative gift used by the majority of Americans. The donor or testator has all the rights of enjoyment, use and disposition of the intended gift during his/her lifetime. At death your bequest can support our ministry's IHS endowment. The highest compliment a person can give to a Christian ministry is to consider it as one of his/her heirs. Savings Bonds make a particularly attractive testamentary gift for double tax reasons.

II. Charitable Gift Annuities

The second most familiar creative gift is the one in which the donor receives a fixed, secure, and lifetime annual income in exchange for a current gift of cash or appreciated property. The rate of return increases with the age of the donor(s).

Important features of the gift annuity:

- ▶ The annuity may be funded with appreciated property, thus lowering the real cost of the gift by avoiding most capital gains tax;
- ▶ Some of the income will be tax-free;
- ▶ Income may be deferred until a later year and received at a higher rate of return as part of one's retirement plans.

III. Give a House, Keep the Use

An American can obtain a substantial income tax deduction now by giving a personal residence, vacation home or farm to a ministry while retaining the right to live in it or use it during life. Upkeep, taxes and other expenses related to the use of the property remain the responsibility of the donor.

IV. Charitable Remainder Trusts

(Concept: Give the property before tax, keep the income.) There are two types of irrevocable charitable trusts, each designed to provide special tax benefits for the donor.

- ▶ **Unitrust:** the most flexible and popular type, the Unitrust is capable of receiving a wide variety of assets. It provides a hedge against inflation by investing the trust's assets to increase in value to meet the future income needs of the beneficiaries. The annual income payments will be a fixed percentage of the trust (at least 5%) as it is revalued each year. Additional contributions may be made in future years without creating a new trust.
- ▶ **Annuity-Trust:** similar to the Unitrust in the four-tier way it distributes its income—first as ordinary income; second as long-term capital gains; third as tax-exempt; and fourth as a tax-free distribution of principal—the annuity trust differs in that a fixed percentage (at least 5%) of the trust's initial value must be paid to the beneficiaries annually.

V. Charitable Lead Trusts

(Concept: Give the income, pass property to family tax free.) This trust is the exact opposite of the remainder trust (see IV) in that our endowment with IHS will first receive income from the trust for a number of years and then the principal will return to whomever holds the reversionary interest. Its primary use is to enable relatively wealthy donors to convey appreciated property to family members with little or no estate tax.

VI. Your IRA or 401(k) Legacy

At death, tax deferred retirement plans will be subjected to income tax (state & federal) and possible estate (state & federal) tax. For this reason, many Americans find that a charitable beneficiary (avoiding all tax) for their retirement plan makes a lot more sense than losing up to 70% of the value of retirement savings to double taxes at death.

VII. Revocable Living Trust

Generally considered a cornerstone of good estate planning, property may be put into or taken out of the living trust at your direction. It's not a charitable gift. You don't get a tax deduction when you put property into a living trust. However, the living trust will avoid probate at death and keep your estate matters private, and may distribute property to heirs and charity (our endowment fund) at your direction.

VIII. Life Insurance

Often overlooked as a charitable gift, life insurance provides a variety of stewardship opportunities, both outright and deferred.

- ▶ A paid-up policy may be assigned irrevocably to a 501(c)(3) ministry;
- ▶ A policy on which premiums remain to be paid may be assigned irrevocably;
- ▶ The ministry may be named as primary or contingent beneficiary, but the donor retains policy ownership;
- ▶ The dividends of a participating policy may be assigned to a ministry;
- ▶ The death benefit or cash value of a policy can be used to fund a charitable life income plan (see II) for a surviving spouse, then at the second death to our IHS Endowment.

