ESTABLISHING A BEQUEST PROGRAM

FOR THE TEMPLE

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A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF REQUIREMENTS
FOR CERTIFICATION AS FELLOW IN TEMPLE ADMINISTRATION

DECEMBER 1986
I. INTRODUCTION

From time to time, newspapers report on instances of abundantly generous bequests made to charitable institutions. In 1982, the Estate of Paul Getty contained a bequest for the considerable sum of 1.3 billion dollars to a California museum bearing his name. In 1986, the Estate of Liligore Green Rains distributed a total of $200,000,000 in legacies to the California Institute of Technology, Loyola Marymount University, Pomona College, Stanford University, the Hospital of the Good Samaritan in Los Angeles, and the Menninger Foundation. These two examples, admittedly on the high end of the bequest-giving spectrum, reflect the enormous potential of charitable contributions made through bequests.

In 1985, the most recent year for which figures exist, 5.18 billion dollars were contributed through bequests to charitable organizations, institutions and agencies in America. Over the 15 year period since 1970, this amount constitutes a 143 percent increase in the use of bequests as an instrument of philanthropy. This steady increase is especially noteworthy in view of the fluctuations inherent in the nature of this type of giving. Yet, in 1985, bequests accounted for only a 6.5 percent portion of all philanthropic giving in the United States. (These statistics are derived from Giving USA -- Philanthropic Giving in 1985.)

In years to come, gifts from bequests will no doubt become an increasingly more significant source of funding for charitable organizations, including synagogues. Most Temples have already recognized that dues income alone is insufficient to cover annual operating expenses. Many have also realized, as a result of long range investigations, that only by planning today for substantial endowments (substantial being relative to the perceived needs of the congregation and its community) will a Temple remain in the future a vital and dynamic resource for its Jewish community.

Our temples today, certainly tomorrow to an even greater extent, are no longer exclusively houses of worship. The demographic, economic and social changes of the last four years of the twentieth century engender profound challenges. Among them the rise of intermarriage;
increased tendencies towards assimilation; greater mobility which occasions feelings of rootlessness; the preponderance of single-parent families; the propensity among both men and women for later marriage while careers are established with a consequent increase in the singles population; increased numbers of divorcees, widows and widowers; young people subject to doubts about their religious identity who are vulnerable to the exhortations of cult groups. Congregations eager to respond to these new needs have already instituted programs which remain circumscribed by limited funds. Only a healthy endowment can insure the perpetuation of such activities in the future, and bequest giving is one method of building a stable and productive endowment.

Another reason for focusing on bequests as a fund raising option for the synagogue is the increased competition for the philanthropic dollar. The Gramm-Rudman Act, which is designed to reduce the Federal Deficit to zero by 1991, coupled with major cutbacks in federal spending for domestic programs, have strained the budgets of many not-for-profit organizations and has caused them to step up their efforts for current giving. Though religious organizations have never been the recipients of federal money, these measures are still of consequences to churches and synagogues. Our Temple members are good citizens not only in their congregational lives but in their secular lives as well. The increased pressure on them to give will, no doubt, induce them to review their priorities. At best, the Temple can expect a reduction in contributed money.

Bequest giving, although not a new source, should be pursued more vigorously. It is interesting to note that overall giving to religion in 1985 amounted to $37.73 billion dollars which constituted 47.2 percent of all philanthropy that year. Yet, the primary beneficiaries of bequest giving were health agencies, hospitals, colleges, universities and cultural groups which received a significantly lesser proportion of the contributed dollar. It is clear that bequest giving possesses significant promise for congregations interested in building their endowments, especially as they turn to medium-income individuals, the Getty's and the Rains' notwithstanding, who will remain heavy supporters of our congregations.
II. THE APPROPRIATENESS OF A BEQUEST PROGRAM FOR A TEMPLE

One of the strongest, albeit unwritten, Jewish traditions, is the concept of continuity. This is expressed in the phrase "Dor L'dor," from generation to generation. One generation is simultaneously bonded with the history of its predecessors and with the destiny of its successors. Its identity is ineluctably defined by the collective sensibility and deeds of its fathers and grandfathers, and it, in turn, shapes the thinking and behavior of its children and grandchildren. Religious and ethical traditions, indeed, all the tenets of our Jewish identity, are passed from generation to generation. In this respect, a bequest gift to a Temple becomes a fulfillment of the Dor L'dor charge. Just as we write a Will for the purpose of providing for the future welfare of our families, a bequest to a Temple becomes an opportunity to sustain Jewish heritage. It is, in effect, an affirmative expression, inspiring in its finality, of the donor's commitment to Jewish identity.

Giving to the synagogue accomplishes this because the synagogue is the one institution which is central to Jewish life. In our time, to a greater degree than in the past, the synagogue is the focal point of Jewish continuity. In the past, when Jews lived apart and isolated from non-Jews, Jewish life was sustained by family and community, and the synagogue served as a house of worship and prayer. Today, however, Jews live aculturated lives, dispersed among their neighbors, a palpable minority. The synagogue assumes the role of purveyor of tradition. In addition to being a house of worship and prayer, it is a house of assembly, a house of community. It is a place where we celebrate life-cycle events -- birth, bar and bat mitzvah, confirmation, marriage and death -- and it is a place we turn to during critical moments in our personal and communal life.

III. ADVANTAGES AND DISADVANTAGES OF CHARITABLE BEQUESTS TO BOTH THE DONOR AND SYNAGOGUE

Considerations of bequests to a Temple involve advantages and disadvantages which apply to both the donors and recipients. A proper understanding of these will enhance the effectiveness of the gift.
The following are some of the advantages which accrue to the donor.

- First and foremost, is the personal satisfaction of making an enduring contribution to the Temple. The bequest is an expression of loyalty to the accomplishments of the Temple and a confirmation of its strength and vision for the future. It is also a living memorial to the ideals of the donor whose commitment to Judaism was made manifest through a final gesture of generosity.

- As a by-product of making a gift bequest to the Temple, an individual is of course required to prepare a will. Estimates as to the number of Americans who do not have a will run as high as six out of ten. By preparing a will, one achieves the peace of mind of knowing that one's personal intentions will be accomplished after death. Simply put, a will provides for the distribution of property and assets according to a predetermined plan which expresses the wishes of the testator (the person making the will). In this way, an individual can provide for the financial security of his or her family, relatives and friends. Aside from determining financial objectives, a will also names an appropriate executor.

- One significant advantage of a charitable bequest, especially for medium income individuals, is that one can, so to speak, have one's cake and eat it too. A bequest is a delayed act of philanthropy which does not infringe on the donor's financial flexibility during his lifetime. With a will a donor can satisfy charitable objectives without relinquishing control of his accumulated assets during life.

The chief disadvantage of charitable bequests is that there is no tax deduction during the donor's lifetime. Since the provisions of a will are revocable until death, the Internal Revenue Service does not recognize the intention of a gift until it becomes a fact. Estate tax savings may balance this disadvantage, as we shall see shortly.
The following are the advantages to the Temple.

- The foremost benefit is the assurance of future financial funding. A well-developed bequest program will insure the continuous growth of a Temple's endowment. A corollary benefit is that a large endowment establishes a sense of credibility in financial planning and inspires confidence which in turn encourages further contributions.

- Bequest programs are, from the point of view of the Temple relatively easy to administer. The marketing of such a program involves non-technical brochures, letters and followup calls which do not invoke the need for lengthy explanations of complex legal and tax issues which apply to other methods of planned giving. Likewise, when a gift is received, the Temple does not incur any unusual legal or management expenses. The money received from the bequest is simply added to the endowment or, if it is designated for a specific purpose, it is used directly for that purpose.

- An effective bequest program can stimulate current giving and can serve as the foundation for a broader planned giving program. Once a Temple member provides for a bequest to the Temple, it is highly likely that he will make additional gifts through other means. The intention to bequeath to the Temple represents the testator's strong and abiding affinity for the work of the organization. As a result, annual giving may increase and, should circumstances permit, such a donor is a natural prospect for considering other planned-giving methods, such as life income trusts.

- Through the marketing of a bequest program, the Temple gains the good will of its membership by informing them of the importance of preparing a will. Brochures and Wills Clinics, sponsored by the Temple, educate members about the jeopardies they expose their estates to without a will or an up-to-date will. This service to congregants can provide incalculable benefits.
The disadvantages of a bequest program to the Temple are twofold. First, gifts, of course, are not received immediately. There is an indefinite waiting period before the bequest is turned over to the Temple. This is one of the main reasons that Temple boards are reluctant to commit themselves to the time and effort necessary to establish a bequest program. Patience and foresight are necessary and an effective bequest program will not be derailed by the pressures of balancing the annual budget. In the long run, fortitude and a diligently-applied bequest program will eliminate concerns about deficits in the future.

Second, up until the donor's death, gifts of bequest are revocable and subject to change. Donors may relocate or become disenchanted with the congregation and cancel their bequest. The only antidote to obviate such an occurrence is to forge a strong bond between the donor and the congregation.

IV. TAX IMPLICATIONS OF CHARITABLE BEQUESTS

Although the testator does not receive immediate tax benefits from a charitable bequest, his estate does benefit. The federal government encourages bequests to qualified charities. When an individual dies, his estate is subject to a federal estate tax if the total value of its assets and certain other property subject to tax exceed the allowable deductions and credits. One of these deductions is a bequest made to a qualified charitable organization. Section 2055 of the Internal Revenue Code defines one estate tax deduction as, "The amount of all bequests, legacies, devises or transfers . . . to or for the use of any corporation organized and operated exclusively for religious, charitable, scientific, literary or educational purposes, including the encouragement of art . . . no part of the net earning of which inures to the benefit of any private stockholder or individual."

Thus the entire amount of a charitable bequest qualifies for the estate tax charitable deduction.

Moreover, the amount of the charitable bequest is removed from the total estate, thereby reducing or eliminating, depending on the size of the charitable bequest and the size of the estate, the federal tax liability of the estate.
The Tax Reform Act of 1986 has brought about sweeping changes in the treatment of outright charitable gifts under income tax laws. Charitable bequests under estate tax rules, however, enjoy more lenient treatment. Regulations enacted in the Tax Reform Act of 1976 and the Economic Recovery Tax Act of 1981 continue to govern the estate and gift tax laws with only minor modifications. Thus, charitable bequests of appreciated property are not subject to capital gains taxes, no distinction being made between capital gains and ordinary income, and the estate is allowed an estate tax deduction for the fair market value of the property. Furthermore, charitable bequests are not subject to limitations as are current charitable gifts. (The largest allowable income tax deduction for a gift of cash to a charitable organization is 50% of the donor's adjusted gross annual income if the donor itemizes on his federal income tax return. The excess can be carried forward for a maximum of five years.) The entire amount of a charitable bequest is deductible no matter how large, even if an entire estate is left to a qualified charitable organization. Finally, no related use requirement is imposed on bequests of tangible property which pass to the charitable organization with tax immunity on the full fair market value of the property. By contrast, under the new tax rules which take effect in 1987, current gifts of tangible property which are not related to the specific purpose of the charitable organization, qualify for a tax deduction equal only to the cost basis of the property.

V. THE ELEMENTS OF A WILL

Before proceeding further with our discussion of establishing a bequest program, it would be helpful to briefly review the basic elements of a will.

A will is the primary instrument of estate planning. The will is a legal document which contains the plan the testator designs for the distribution of his property and possessions upon his death. It describes who will receive which property or what share of the assets of the estate. It is an efficient, economical, competent and sensitive way to insure that the needs of one's heirs and dependents are met and to reduce
the costs involved in the estate settlement. With a logical and coherent will, the testator gains the psychological comfort and relief of knowing that he has provided for the security of his loved ones and that the estate will be settled without confusion or delay.

If a person dies without a will or the will is found to be invalid, the person is said to be intestate. Under those circumstances intestacy laws are invoked. The decedent's property is distributed according to state law, which although related in principle, varies from state to state. State laws adhere to a rigid, impersonal formula, following the laws of descent and succession, in prescribing estate settlement. This means that aside from a spouse, all heirs are treated equally. In the event that no lineal descendant exists, then collateral descendants will inherit the estate. Under no circumstances will state law distribute any portion of the estate to any charitable organization. Thus it is likely that the estate of a childless, intestate widow, who attended services regularly and was an active volunteer in a Temple, will pass to cousins, nieces and nephews without a cent going to the Temple she cherished.

Aside from abdication of control of the estate, intestacy produces higher estate settlement costs. The Court will appoint an administrator, someone with no personal acquaintance with the decedent or his family. The court-appointed administrator has limited powers and must be bonded, adding to settlement costs. (A testator, on the other hand, can waive the bonding requirement for the executor he selects.) Administrative costs mount due to protracted court deliberations and estate taxes which could have been avoided through a carefully wrought estate plan. In addition to unintended distribution, delays and erosion of the estate, intestacy takes a psychological toll on the family. At a time when there is unavoidable grief and emotional strain, intestacy causes confusion; disagreements surface and heartbreak occurs when someone is unintentionally forgotten.

A will is a necessity for everyone. None of the often-heard rationales for not having a will are realistic upon closer scrutiny. People who thought
they had small estates and therefore didn't need a will, are very often surprised when they calculate the sum of their equity in home or condominium, life insurance and pension plan benefits, and the value of their possessions. Some feel that their family's future security is protected by joint ownership. However, jointly-owned property cannot provide for an entire family, nor can it provide adequately in the event of the simultaneous death of the joint owners. Others feel they are too young, or they have no children, or relatives who know their wishes will arrange their estate accordingly. In each instance there is a high probability of dissipated estates and unfulfilled intentions. Most often the common reason for intestacy is procrastination stemming from a reluctance to face one's own mortality.

Having a will prepared is no guarantee against intestacy. A will is a "living" document which must be kept up to date and current. Failure to do so may invalidate the will. Moving to another state, where different laws affecting trusts and estates apply, or changes in federal and state laws governing estates may call the will into question, invoking a state made will. Moreover, since a will is a collection of the thoughts, feelings and desires of the testator concerning how he wants his property distributed when he no longer needs it, it is subject to change as the circumstances of his life change. It is therefore advisable that a will checkup be done every two to three years.

The will itself consists of several parts. All provisions must conform to the legal requirements of the state in which the testator claims legal residence, otherwise the will can be invalidated. Though requirements vary from state to state, the anatomy of a will follows the same general scheme. The sequence of provisions are subject to the unique needs and circumstances of the testator and the style of the attorney preparing the document.

A preamble identifies the testator and his domicile. It establishes the provenance of the will by affirming the revocation of all previous wills and codicils (amendments to a will, drawn up separately and appended to a previously written will, essentially a
postscript to a will). It also identifies by name and current address the names of the testator's spouse and children. Because of the importance of appointing a legal guardian for a minor child, such appointment and the appointment of successor guardians customarily follows the family section at the beginning of the will. The designation of one or preferably two contingent guardians, anticipates the possibility of the first appointee predeceasing the testator, or becoming unable or for some reason unwilling to undertake the responsibility of guardianship.

Commonly, the next clause of a will expresses the testator's nomination of an executor (executrix, female) and identifies two or three alternate executors. The testator also gives direction concerning the requirement of a surety bond and he enumerates the authority and powers the executor will have. The selection of an executor is of paramount importance since the executor is responsible for the safety and preservation of the estate until its eventual distribution. The executor's first duty upon the death of the testator is to petition the appropriate court to admit the will to probate. The next step is to collect, inventory and appraise all probate assets. The executor must also arrange for payment of all legitimate and legal claims and debts against the estate. This includes the filing of federal and state income tax returns for both the decedent's final life period and the estate, and filing federal and state inheritance tax returns.

Once all debts and claims against the estate are settled and the will is validated by the court, the executor supervises the distribution of testamentary gifts, paying legacies and establishing trusts, according to the terms and conditions of the will. During the interim between the testator's death and the final distribution of the estate, the executor is responsible for conserving and managing the estate in the best interest of its beneficiaries. The last task of the executor is to provide the appropriate court with a detailed report accounting for every item of receipts and disbursements of the estate. This brief outline of the multifaceted duties of the executor suggests the diverse areas of knowledge -- insurance, investing, appraising, bookkeeping, real estate, taxes and trusts and, sometimes, the decedent's particular line of business -- the executor must possess.
The next item involves the disposition of property; it answers the question who gets what property. It identifies which items of real estate and personal, tangible property, such as furniture, jewelry, collectibles, automobiles, boats, etc., and what portion of intangible property, which includes cash, securities, insurance and pension benefits, are to be bequeathed to specific family members, friends and charitable organizations. It is common practice to also designate one or more alternate or conditional beneficiaries to receive assets in the event that the primary named beneficiaries predecease the distribution of assets.

A typical will also contains a "residuary clause." This provision directs the disposition of "all the rest, residue and remainder" of the estate, those assets remaining in the estate after all expenses and taxes are paid and all specific, individual bequests of money or property are given out. In some instances, the residue can amount to a significant portion of the estate. Another clause of the will directs that all estate, inheritance and other taxes be paid out of the residue of the estate. Other provisions of the will can address the testator's desire to establish trusts, appoint trustees and define their authority and power. The will concludes with the dated signature of the testator in a statement of witnesses, usually two, signed with their addresses, in each other's presence and in the presence of the testator.

VI. WAYS TO INCLUDE A CHARITABLE BEQUEST

A charitable bequest is a gift of cash or property made to a qualified charitable organization through the terms of the will. This can be accomplished through a variety of methods.

The simplest and most direct is an outright bequest which gifts a specific amount or a specific property upon the settlement of the donor's estate. Outright bequests made in the form of cash can be for a specified amount or a percentage of the estate. If it is a percentage, the bequest is subject to the fluctuations in the overall size of the estate, and may
therefore be larger or smaller than the testator intended at the time the will was prepared. If the charitable bequest is in the form of specific property and that property is sold or otherwise disposed of prior to the death of the testator, then the bequest is cancelled. The following language can be used to establish an outright bequest: "I give, devise and bequeath to (name of Temple), a (name of state) corporation, located at (address of Temple), the sum of $_______ (or describe the real or personal property or specify the percent of the estate)."

The residue of the estate or a portion of the residue can also be bequeathed to a Temple. Such a bequest would be incorporated into the residuary clause of the will: "All (or _____ percent of) the rest, residue and remainder of my estate, both real and personal property, I give, devise and bequeath to (name of Temple), a (name of state) corporation, located at (address), to be used for its benefit as its Board of Trustees may determine."

In the event that the testator wishes to provide foremost for the security of his family and friends, and finds that this precludes making an outright bequest or a residuary bequest to the Temple, yet he wishes to provide for the possibility of a bequest should some named beneficiary predecease him, he can do so through a contingent bequest. As a successor or remainder beneficiary, the Temple would only receive the bequest if the primary beneficiary was dead at the time the estate is settled. The following wording could be used to implement a contingent bequest: "If the above-named legatees or beneficiaries should prede- cease me, then I hereby give, devise and bequeath to (name of Temple), a (name of state) corporation, located at (address), the sum of $_______ to be used for its benefit as its Board of Trustees may determine."

The most sensitive and difficult dilemma confronting any individual as he prepares a will, is weighing both personal and philanthropic priorities. Of course, family obligations precede charitable inclinations to the Temple. However, there are several estate planning methods which enable an individual to achieve
both personal and charitable objectives. One method is through a life income bequest which establishes a survivorship annuity trust where the remainder of the trust is ultimately, irrevocably transferred to the Temple.

There are two varieties of such testamentary trusts: the charitable remainder annuity trust, and the charitable remainder unitrust. The charitable remainder annuity trust can be established from all or some designated portion of the estate and takes effect upon the death of the testator. A fixed amount, which is at least five percent of the amount put in trust, is annually paid to the spouse and/or other beneficiary for their life. (The fixed amount can be stated in the will as a percentage of the value of the assets funding the trust when it is initiated.) The actual payments to the annuitant(s) can be made annually, semi-annually, quarterly or monthly. Trust principal can and must be made available if necessary to meet annual payout requirements. At the death of the final named beneficiary, all remaining assets in the trust pass directly to the Temple without passing through probate. Should the named beneficiaries of the trust predecease the testator, the assets pass directly to the Temple. The charitable remainder annuity trust also provides for an estate tax savings, since the estate is allowed a charitable tax deduction for the "delayed" gift to charity. The amount of the deduction is based on the annuity payment amounts selected, the age of the spouse and/or other beneficiaries of the trust at the time the trust is established and the initial value of the assets put in trust.

The charitable remainder unitrust is identical to the annuity trust in every respect except that instead of paying a fixed amount, the unitrust pays a fixed percentage of the assets, not to be less than five percent of a trust's assets each year. Each year, therefore, the annuity payments may be different, depending on the value of the trust that year. One advantage of the unitrust arrangement is that it provides a hedge against the rising cost of inflation since the annual payouts keep step with changing financial values.
These life income bequests have been referred to as "dual purpose" gifts. They provide for a charitable gift to the Temple without attenuating the financial security of a spouse or other loved ones for as long as they live. The spouse gains the protection of a fixed income through a guaranteed annual cash flow. The annuity income may supplement other assets left to the spouse in the estate plan. Through the trust, the spouse is relieved of money management problems, and income interest paid to a spouse may escape federal and state taxes since it qualifies for the marital deduction. Yet another benefit of this arrangement is that the estate does not incur additional probate costs or executors' fees when the trust's named beneficiaries die and the assets are transferred to the Temple.

Another trust option to consider when spousal income and charitable intent coexist is a qualified terminable interest property (QTIP) trust with the Temple named as the remainderman. The QTIP goes one step further than the annuity trust or unitrust bequests in securing the financial future of the spouse. It gives the spouse access to all of the principal in addition to providing total lifetime income. The charitable gift comes from what is left over after the surviving spouse's death. This is an ideal arrangement for those who feel that a charitable gift should come only after the needs of a spouse are fully met. The QTIP trust provides the flexibility of post-mortem financial planning in that it gives the surviving spouse access to the principal of the trust should her circumstances change and she requires additional funds. This would be impossible with an annuity trust or a unitrust bequest since the spouse under those terms is limited to only an annuity of either the fixed amount or the percentage of the trust assets.

In a QTIP trust, all the income of the trust assets are paid to the surviving spouse. The principal is available exclusively for the use of the surviving spouse for the lifetime of the spouse. The testator can provide the spouse with unlimited rights to withdraw principal or with limited withdrawal privileges to specified amounts and/or for special purposes such as emergency medical needs or empower a trustee to use the principal for the spouse's benefit at his
discretion. Upon the death of the spouse, the spouse's interest terminates and the assets remaining in the trust pass to the Temple. As a result of changes in tax law instituted by the Economic Recovery Act of 1981, transfers of terminable interest property are now eligible for the marital deduction. Thus, the executor of the estate, in establishing QTIP trusts, can elect to claim a marital deduction for any part or all of the trust. If exercised, the option can reduce or completely eliminate estate taxes. One drawback which results is that the QTIP bequest assets will technically be included in the surviving spouse's gross estate when she or he dies. An offsetting charitable deduction will be allowed, however, for the value of the assets that will pass to the Temple out of the spouse's estate.

Yet another means of making a bequest to the Temple without foregoing an inheritance to one's family is the bequest form of the charitable lead trust. A congregant, for example, with financially independent children, who wishes to provide for his grandchildren and simultaneously include his Temple in his will, might consider this option. In a charitable lead trust, the charity receives the income from the trust assets for a specified number of years. When the trust is terminated, the remaining assets are returned to the originator of the trust or his beneficiary. There is no significant tax advantage to the lifetime charitable lead trust because the trust is classified as a grantor trust. The donor can take a charitable tax deduction in the year the trust is established for the expected value of the income going to the charity. However, this deduction is all but nullified by the taxes the donor must pay each year on the earnings of the trust which are turned over to the charity. (As a grantor trust all transactions are taxed to the grantor, as if the grantor conducted the transaction as an individual.) Like a lifetime charitable lead trust, the bequest form of the charitable lead trust can be established as a unitrust, paying a fixed percent to the Temple, or an annuity trust, paying a fixed amount. Unlike the lifetime charitable lead trust, the bequest version has no requirements for a maximum term of the trust nor a minimum payout percent. Moreover, the bequest form of the charitable lead trust overcomes the inherent tax disadvantage of the
lifetime charitable lead trust, since no one need recognize the trust income as his own during the term of the trust. A reduction in estate tax costs is also achieved since the value of the remainder interest to the non-charitable beneficiary is diminished by the value of the income interest paid to the Temple.

VII. DESIGNATED BEQUESTS

Ideally, the Temple should seek to obtain the widest possible latitude over the use of the bequest gift. General purpose bequests given for the overall welfare of the Temple, which can be utilized at the discretion of the Temple's board of trustees, serves the Temple best now and for the future. In some instances a donor may wish to make a bequest for a specific purpose. For example, the donor may want the bequest to be added to the Temple's endowment with only the income used for operating needs. An example of the wording of such a bequest would be: "I give, devise and bequeath to (name of Temple), a (name of state) corporation, located at (address) the sum of $______ to become part of its endowment fund. The principal of this gift shall be comingled with and be subject to the same investment policies, from time to time, as other permanent endowment funds. The income may be used at the discretion of the Board of Trustees, for any purpose of (name of Temple)."

A bequest may also be used to establish a memorial fund in memory of a loved one or the testator. In such a case a suggested wording might be: "I give, devise and bequeath to (name of Temple), a (name of state) corporation, located at (address), the sum of $______ to be known as the __________ Memorial Fund. The Board of Trustees of (name of Temple), at its discretion, shall determine the use of the income for any purpose. The said Board may authorize the expenditure of all or any part of the principal of the fund for some project or special purpose or in connection with the erection of a building or the acquisition of a facility, provided an appropriate memorial, evidenced by a plaque or marker, is established in the name of __________."
If a congregant has a particular interest, such as liturgical music, adult education, religious school or social action, he may leave the bequest to the Temple to be used specifically for that purpose. If possible, he should be persuaded to give the Temple's Board of Trustees the option to use the gift at its discretion should the intended program not require the funds or become defunct. The provision in the will might read as follows: "I give, devise and bequeath to (name of Temple), a (name of state) corporation, located at (address), the sum of $________ for the purpose of __________ or if such use, in the judgment of the Board of Trustees, is or shall become impractical or unwise, then for such purpose as the said Board shall determine." Such wording would satisfy the donor's need and absolve the Temple from taking expensive legal measures to escape the mandate of restrictive, narrowly conceived bequests.

VIII. ESTABLISHING A BEQUEST PROGRAM

The first step in establishing a bequest program is to gain the approval and commitment of the Temple's board of trustees. Temple leaders may be reluctant to justify the time, personnel and money for a program which produces indefinite results. They may find it difficult to commit the Temple's resources to a program whose results are not realized until the future, especially when they are faced with current austere budgets and burgeoning deficits.

There are several factors board members should consider which may assuage their reluctance to institute a bequest program.

- In today's economy a congregation cannot survive exclusively on dues income, even when supplemented by annual giving. When deficits occur, they are usually offset by endowment income. Only a large, growing endowment can meet the dual demands of growth and inflation. The time to plan for a future endowment is now, and the prime way of providing substantial and steady funds can be through a bequest program. The need for a long-range perspective is imperative to survival.
Gifts of bequests tend to be larger than now gifts. Many congregants, especially middle-aged members, may find it genuinely impossible to support the Temple in the manner they would wish to during their lifetime. Their lifetime expenses preclude all but token gifts of disposable income. Whereas with a bequest gift, greater generosity is possible since the gift is derived from capital assets, not income.

Psychologically many people are parsimoneous during their lifetime, but freer with their charitable proclivities when they know the money will be distributed after death. Simply put, the sacrifice quotient is reduced after death.

Once a person has included the Temple in his will, he becomes Temple-tropic; he develops a deeper bond with the Temple and a more sensitive affinity with the institution's needs. Such a member will be more inclined to participate in services and other Temple activities and will be more responsive to annual fund raising efforts. Experience shows that an effective bequest program, rather than draining or deflecting current fund raising programs, actually enhances them.

Once the board of trustees has accepted the bequest program in principle, the Temple president should appoint a Wills and Bequest Committee to develop the policies and guidelines for the program. Among the issues the committee needs to consider are the following:

- Gift acceptance criteria and procedures (e.g., How to handle restricted gifts? Who will administer trusts?).

- Developing a statement of need for the Temple which can be incorporated in letters and brochures.

- The way in which the program will be marketed (e.g., the tone and style of the program, its timing, the nature and content of public relations material).

- Obtaining legal counsel to guide and advise the professional staff.
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- Determining how bequested funds shall be used (e.g., for operating, endowment, programs or some combination).
- Determining the cost of the program and establishing a short-term and long-range budget.
- Providing some means for the training of staff in the technicalities of wills and bequests and the elements of estate tax codes.
- Hiring consultants.

IX. MARKETING THE PROGRAM

Although all members of the congregation are potential candidates for the bequest program, all members are not equal in their philanthropic instincts. It is most prudent and efficacious, therefore, to focus on those who are most likely to participate. Developing a prospect list is the most difficult phase of implementing the program. Prospects can be identified in four ways: 1) Demographic analysis of membership; 2) Research of members' giving history; 3) Wills clinics; 4) Mailings and announcements.

There are several member groups who because of their family situation will find the bequest program appropriately matched to their charitable inclinations. These include unmarried individuals without extensive family obligations; married couples who are childless and without extensive family obligations; and widows and widowers who are financially secure and whose children are economically self-sufficient. To find the names of those members who meet these criteria, Wills and Bequest Committee members and the Temple staff would do a demographic survey of the membership.

Working on the premise that those who have an extensive history of annual giving to the Temple have a sufficiently strong relationship with the Temple to consider a bequest, another prospect source is the Temple's receipt journals. Financial records can be researched to discover who gave to the Temple, how much, when and how. A membership giving profile can
be established based on contributions to the Building Fund, Endowment Fund, Yom Kippur Appeal, special fund raising campaigns, dinner and ad journals, memorial plaques/tablets, book of memory, etc. By ranking the findings key prospects will emerge.

Giving histories should not be limited exclusively to members who make monetary contributions. Many volunteers, including members of the board of trustees, contribute more time and personal energy than money. Given the nature and advantages of bequest giving, such individuals should also be considered prospects for the bequest program.

Yet another source for prospects is the Wills Clinic. Periodically, the Temple could sponsor a workshop or seminar on the importance of estate planning and will writing. Such a program provides a service to Temple members since it encourages them to protect their estates by planning for the future and it asks them, often only obliquely to include the Temple in their wills. The program can be announced in the Temple bulletin. An attorney, preferably a non-member, knowledgeable in estate planning, gives a 30 to 40 minute presentation on the importance of a will, the constituent parts of a will and how to prepare one. Subsequent workshops can address specific issues like tax implications and trusts. At the conclusion of the workshop attendees are asked to complete an evaluation form. The questionnaire would include questions like: Was the session helpful to you? Do you have additional questions? Would you like assistance in arranging to meet with an attorney? Are you interested in advanced estate planning seminars? Name? Address? Those who respond should be added to the prospect list.

The last resource for prospecting is the Temple bulletin and specially-focused mailings. Reminders appearing regularly in the bulletin can importune readers to include the Temple in their wills. Announcements of recently received bequests and how they were used can inspire others to the same kind of generosity. The bulletin might also include a brief article on the value of making a will and the importance of making a charitable bequest. A tearoff can give readers the opportunity to inquire for further information.
The congregation can also mail selected constituencies of the congregation a brochure on bequest giving and/or a quarterly newsletter dedicated to estate planning and planned giving ideas. Such brochures and newsletters can be uniquely created for the congregation or purchased in prepackaged form with institutional imprints from a number of fund raising supply houses. In-house created publications might address such issues as: what happens if there is no will; reasons for changing or updating a will; the importance of estate planning; misconceptions about wills; the anatomy of a will; tax laws governing bequests and inheritances; charitable giving through a will; testamentary trusts; survivorship annuities. Each mailing would include a reply form which the recipient could use in confidence, to request further information. Some mailings might also include a letter of intent permitting the recipient to notify the Temple of his interest in making a charitable bequest to the Temple. In order to protect the Temple, all mailings discussing estate planning and charitable bequests should include a disclaimer stating that the publication is intended to provide accurate information about the subject matter, with the understanding that the publisher is not engaged in rendering legal, accounting or professional services and that such assistance should be sought from professional sources.

Often neglected, yet valuable resources, are the attorneys, tax consultants and financial planners in the community. A letter to these professionals announcing the Temple's bequest program and periodic followups are valuable means of publicizing the program. Attorneys can be asked to remind clients about the possibility of naming charities in their wills. Attorneys can also be asked for permission to have their names put on a list of qualified legal advisors which the Temple would give to prospects who are searching for legal assistance in preparing a will.

Once serious prospects are identified, they should be cultivated with followup calls and personal visits. Oftentimes, the congregation will not know that it is named in a will. If a letter of intent is received, it requires special attention and periodic followup. It is important to note that the nurturing process should
not end with the receipt of a letter of intent. A
charitable bequest in a will is simply a gift expec-
tancy which can be revoked at any time until the will
goes into effect. Conveying a caring, grateful atti-
tude is as important after a letter of intent as
before.

X. RECEIVING THE BEQUEST

Upon the death of the testator the estate settlement
process begins. The first steps involve locating the
will and petitioning the appropriate court to under-
take probate procedures. Probate, very simply, is
the process of proving the validity of the will, and
the legal process of administering the estate. A
notice of filing the petition must be furnished, in a
prescribed legal manner, to each named beneficiary as
well as to all persons who could partake in some por-
tion of the estate had the decedent died intestate.

Very often this notice of probate is the first
knowledge the Temple may have of being named in the
will. The Temple should acknowledge this notification
with a request to the attorneys handling the estate for
a full copy of the will. It may take four to six weeks
before receiving the will or an extract which contains
the Temple's bequest. Review the will or extract to
see if the bequest includes any conditions or restric-
tions or special requests such as a memorial
tablet/plaque. Again, acknowledge its receipt to the
attorneys.

It is unlikely that the bequest will be paid for about
six to eight months from the time the probate notice is
received. Prior to payment the attorney handling the
estate on behalf of the executor will send a receipt
and release. Typically, this document, which an
officer of the Temple must sign, states that the
Congregation accepts payment of the bequest and in so
doing waives further claims in proceedings concerning
the settlement of that estate; certifies that it has
not hypothecated the bequest (i.e., transferred,
assigned or encumbered its interest in the will);
releases and discharges the executors from liabilities
which they might sustain; and agrees to refund part or
all of the bequest should the executors incur unex-
pected expenses, taxes or other obligations of the
estate.
Following the payment, acknowledgment should be sent to the attorneys handling the estate, the executor(s) and, of course, the family of the decedent. Very often it will happen that the suggestion for the charitable bequest to the Temple was made by either the attorney, executor or family member. The good will created by such a gesture can be invaluable.