

HOPE CHRISTIAN COMMUNITY FOUNDATION

SEEKING THE PEACE OF THE CITY

Newsletter Fall 2006

Hope CCF exists to serve donors & ministries in the Mid-South in order to facilitate the building of God's kingdom in our community and throughout the world

Check out our new website at www.hopeccf.org



John Perkins to Speak at Eighth Annual Servant Leader Luncheon

Please join us at our Eighth Annual SERVANT LEADERS Award Luncheon to be held on Tuesday, November 7th at Second Presbyterian Church at 11:45 a.m. This year our featured speaker is John Perkins, a leading pioneer in Christian community development for almost 50 years. Mr. Perkins is president of the John Perkins Foundation for Reconciliation and Development.

As in previous years, we will be honoring three outstanding servant leaders, volunteers in the inner city who exemplify Christ-like servanthood among the disadvantaged. We will make a \$3,000 contribution to each ministry for which the servant leaders volunteer. This promises to be a great event. It's a wonderful way for the Hope Christian Community Foundation to bring recognition to people in our city who are really making a difference.

Please join us. Individual tickets cost \$40, but we would really appreciate it if you would sponsor a table for \$400 for your favorite ministry. You can pay for most of your table from your donor advised fund. If you sponsor a table, you can invite your favorite ministry to attend or we will invite a ministry for you. Obviously, we want you to attend and also invite others who would be interested in community development or interested in the services of the Hope Christian Community Foundation. If you serve on the board of a ministry, invite fellow board members to sit at your table.

Please call or email Brenda Brazley at 682-6201 or Bbrazley@hopeccf.org for tickets and more information.

Hope for Memphis Fund Launched

The Hope for Memphis Fund was established by the Hope Christian Community Foundation (HCCF) to invest strategically in Christian organizations seeking City transformation: spiritually, educationally, economically, and relationally. The Fund will make grants or loans from the surplus and earnings of HCCF and from donations made to the Fund by others. Grant recipients are Christian ministries primarily serving the economically disadvantaged residents of Memphis and the Mid-South region. A primary focus of the Fund is to make grants which empower existing ministries by improving their effectiveness and building their capacity. The Hope for Memphis Fund Committee considers grant applications by invitation only based on pre-selected areas of interest.

When you open a donor advised fund at Hope CCF, your gift gives twice. First you give to your donor advised fund and then advise us to give money to charities and churches of your choice. Any surplus of fees we charge for that service go into the Hope for Memphis Fund that gives again...this time to ministries and programs we expect to make an impact in

the heart of our City. As a result, God's kingdom is expanded, donors are helped to give even more effectively and strategically, and inner city ministry leaders will have a source for funding cutting edge ministry in our City for years to come.

Pension Protection Act of 2006

As its name implies, this act outlines new reforms largely related to pension/retirement programs. However, the law also includes several provisions related to charitable giving and has for the first time defined donor advised funds, placing new rules on their use.

The new law allows individuals ages 70 1/2 and older to make direct transfers of IRA assets to public charities without paying income tax on the withdrawals. This provision expires at the end of 2007, and annual distributions are limited to \$100,000. However, *the law excludes donor advised funds* from the group of qualified public charities.

In addition, *all* cash contributions to charities will require greater documentation (such as a cancelled check or receipt from a charity). Previously, only cash donations of \$250 or more required such documentation. Therefore, donors should always maintain accurate records for any cash/check gifts to their church, Goodwill, or other charities.

The legislation also imposes a new and significant penalty tax when a donor, a fund advisor, or related party receives an economic benefit, other than an incidental benefit, from a donor advised fund. Please see the enclosed letter which further explains this issue.

Estate Planning and Your Donor Advised Fund

A donor advised fund is an ideal tool for estate and charitable gift planning. Naming your donor advised fund as the charitable beneficiary of your will, charitable trust, gift annuity, retirement plan or insurance policy at the time of your death offers ultimate flexibility and simplicity. You advise us as to whom, how much, and when to give from your fund. You

may add or delete charities by letter, thereby saving time and the expense of changing wills, trusts, or other legal documents.

In addition, you may name your children, grandchildren or other trusted advisors to continue the legacy of your giving beyond your lifetime. This allows you to pass your personal giving values to your family, or others you select, to continue the support of those types of charities or ministries that are important to you.

One alternative is a charitable remainder trust which allows the donor to take a charitable tax deduction today (equal to about 35% of the money placed in the trust) and will provide an income for life. At death, the trust will make a gift to his or her Hope CCF donor advised fund equal to the remainder of the trust (estimated to equal the original balance of the trust). From this fund, the money would be distributed as the donor had previously indicated.

Why Everyone Needs a Donor Advised Fund (DAF)

- Convenience – you make one contribution to your separately administered fund, we write all of the checks you normally write to church, ministries, etc.
- Tax planning – get a deduction this year...give it away later; donate appreciated stock...avoid capital gains taxes
- Giving planning – determine thoughtfully who to give to; develop a budget
- Estate & gift planning – DAF is ideal charitable tool for flexibility in wills, trusts, etc.; Your DAF is the beneficiary
- Give complex gifts - real estate, etc.
- Your invested fund grows tax-free
- Like your own foundation – but cheaper

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