



# THE CATHOLIC DIOCESE of RALEIGH PLANNED GIVING NEWSLETTER

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FALL 2014

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## A Father's *Vision*



*This year marks the 10th Anniversary of the Saint Thomas More School and Parish Endowments. It's a story of how a parish is using their Endowment to benefit families, students, teachers and the greater community.*

### *History*

The Saint Thomas More School Endowment had its humble beginnings in 1984 under the guidance of Father Paul Byron, who wished to establish three funds that helped to supplement the operating income for the school. Over the next few years the following three funds were created: the General Fund, established in 1984 to improve facilities and resources; the Grassroots Fund, begun in 1985, to increase the financial support of the school's teachers and to help maintain salaries and benefits at a competitive level; and the Jubilee Education Fund, launched in 1990 to help defray tuition expenses for families and students in need of financial assistance. For a number of years these accounts remained regular savings accounts. But in 1999 and with counsel from the Diocese,

the three funds were merged into one. By consolidating the smaller accounts into a single account, there was greater principal available to generate more annual yield. Finally, in 2004 the funds from the account were used to officially establish the St. Thomas More School Endowment, which allows for 5% of the average market value of the fund for the previous three years and will be distributed each year.

### *Building on a Strong Foundation*

As of June 30th 2014, the Endowment has grown to \$1,400,000. In recent years the annual interest available for distribution has been on average \$45,000. In keeping with Father Byron's original intentions, these monies are further broken down by allocating \$15,000 for tuition assistance and \$30,000 for teachers' salaries and benefits. As a result, from ongoing contributions and investment

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Each year children at St. Thomas More Catholic School provide a "shoebbox Christmas" for children in Appalachia.

growth the Endowment currently assists between 80-90 students and their families through tuition assistance grants each year.

It took great generosity and vision to establish the Endowment, but it also takes discipline to continue the Funds growth. The discipline comes by way of a monthly Endowment Collection. Each month as part of the Offertory Program, parishioners are given a second collection envelope (in their envelope packet) if they wish to make a contribution to either the school or the parish Endowment. Additionally, once a year parishioners will also receive information on the endowments and how the distributions are being used to assist students, families and the parish. Furthermore, when the school has a surplus they are able to contribute additional funds to the Endowment.

In the spring of 2014, as part of an educational series sponsored by

Saint Thomas More, one of the topics that were discussed was the opportunity for parishioners to establish a planned gift as part of their estate plan. One way to fund a future gift would be to designate all or a portion of one's Traditional IRA or other retirement plan to the school's Endowment Fund.

"Over the past several years the Endowment Fund has generated predictable income for the school. We see the endowment as similar to a savings account for the future, as many of our parishioners have done in their personal financial lives," remarked Carlos Lima, Parish Administrator at St. Thomas More.

"We are very grateful for any contributions to the endowment funds, but what really moves the needle and allows us to offer more financial assistance to struggling families is a planned gift from an individual's estate".

It is our hope that the fund

continues to grow and parishioners see the value that an endowment fund offers in supporting the critical needs of the parish and school.

### *Parish*

The Saint Thomas More Parish Endowment was officially established in 2004, with gifts from the God's Work Our Challenge Diocesan Capital Campaign. As of June 2014, the Parish Endowment's balance is approximately \$207,500. However, it was decided at the outset that, to increase the purchasing power of the fund, no disbursements will be taken until the endowment reaches \$500,000, except for an annual maximum disbursement of \$2,000 for catechetical adult formation.

Students' families and parishioners are very thankful for the visionary leadership of Father Byron. Father Byron had the foresight to gauge the future needs of the parish and school so many years ago.

*If you would like to learn more about establishing an endowment to benefit your parish, school or a Diocesan ministry that is close to your heart please contact Ryan Flood, Director of Special Gifts for more information. As always, our assistance is without cost or obligation.*

Recent surveys conducted by the American Council on Gift Annuities suggest that the average age for a first gift annuity contract is 79 years of age. The Diocese of Raleigh Charitable Gift Annuity Program has been in existence since the mid-1990s. If you or someone you know is interested in fixed and secure payments, a charitable gift annuity

might be the gift for you. As you can see from the example below the payment you will receive is much higher than low earning securities and CDs. Additionally, following the passage of the American Taxpayer Relief Act (ATRA), tax planning is also now a high priority for a number of parishioners. By selecting the lowest of the three

available mid-term federal rates for the month funding the gift annuity, you can maximize your tax-free payments that could be up to 75 to 80 percent. Most importantly, the remainder of your gift can be designated to your parish, school or favorite Diocesan ministry.

### Example: A charitable gift annuity case study



Lucy, age 75, makes a cash gift of \$25,000 to Diocese of Raleigh this year in exchange for a charitable gift annuity. She will receive annual

payments of \$1,650.00 from the Diocese for the rest of her life. She is entitled to an income tax charitable deduction for current income tax purposes of about \$12,280.75 (based on an IRS discount rate of 2.4%).

**Of the \$1,650.00 she receives each year, only \$364.65 will be taxed at ordinary income rates, and \$1,285.35 per year will be tax-free for the next 9.9 years.**

## Goals Served *by an Endowment*

The Catholic Diocese of Raleigh endowment program has witnessed remarkable growth because our parishioners see the benefits of establishing their own named funds. Many start them now because they want to see the results right away. Others make arrangements for their estate assets to be transferred and initiate the fund. Some stand in both worlds by starting their own endowment now and adding to it later through a bequest.

Why do more and more people choose to make endowment gifts to benefit their parish, parish school or

a ministry that is close to their heart? There are many reasons, and of course it depends on one's own motivations. Here are two goals we often hear expressed by our donors.

**1. A Positive Legacy.** Donors will often ask that their names be attached to the endowment fund. Because most funds are permanent, this legacy will carry their name forward in perpetuity and influence future generations in the family. The commitment of the funds first donor(s) remains as a reminder of their values for children, great-grandchildren, and others.

**2. Continue Regular Giving.** We have a number of donors who recognize that their gifts each year will be missed once the gifts are discontinued due to their death. Instead, these wise givers create an estate gift that is 50 times the amount they currently give to their parish, parish school or ministry. For example, a couple who gives \$600 annually can endow their gift by making a one-time gift of \$30,000. Once their fund is in place their inflation-adjusted annual gift can continue in perpetuity.

*Goals 3-5 will appear in the Spring 2015 Issue.*

## The Director of *Special Gifts*



If you or your advisors have any specific questions regarding planning your estate, please contact Ryan Flood, CFRE, Director of Special Gifts. His promise to others is careful listening, attention to your best interest, solutions that reflect your values

and priorities, professional expertise and absolute confidentiality. He is a member of both the local and national Partnership for Philanthropic Planning.

Contact: *Ryan Flood, CFRE, Director of Special Gifts*

*Phone:* (919) 821-9774

*Email:* ryan.flood@raldioc.org

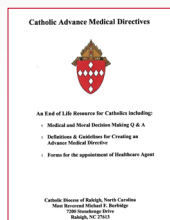
*Address:* 7200 Stonehenge Drive

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*Web:* www.dioceseofraleigh.plannedgiving.org

**Please complete and mail this confidential form to:**  
**Ryan Flood, CFRE, Director of Special Gifts**  
**The Catholic Diocese of Raleigh, 7200 Stonehenge**  
**Drive Raleigh NC 27613-1620**

## Fall *Seminars*



Did you know that the Diocese of Raleigh has published a new Catholic Advance Medical Directive? If you are interested in learning about the Directive and other estate planning ideas, please plan on joining us this fall for one of the following educational opportunities.

Estate planning decisions require knowledge in many areas: accounting, finance, law, healthcare insurance, taxes, and charitable planning. In partnership with local professionals, the Diocese of Raleigh hosts a series of free seminars throughout eastern North Carolina every spring and fall. We invite you to attend and learn to make more fully informed decisions about the stewardship of the assets that God has entrusted you with.

Fall Seminars will be hosted by the following Parishes:

**Saint Michael the Archangel, Cary**

Date: October 1st Time: 12:00-2:00

**Our Lady of Lourdes, Raleigh**

Date: October 7th Time: 12:00 – 2:00

**Saint Ann, Fayetteville**

Date: October 22nd Time: 12:30 -2:30

**Saint Elizabeth of Hungary, Raeford**

Date: October 30th Time: 12:00 – 2:00

**All Saints, Hampstead**

Date: November 4th Time: 12:00 – 2:00

- Please send me the following Workbook/Information: A Catholic Estate and Personal Planning Workbook
- I have already made provisions in my estate plans for a bequest to my parish and/or the Diocese, but would like to request additional information about planned giving in the Diocese of Raleigh.
- I am considering a bequest to my parish, school or Diocesan ministry and request approved bequest language.
- I'm interested in Charitable Gift Annuities. Please send me a complementary proposal and information. My/our age(s): \_\_\_\_\_ / \_\_\_\_\_

Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_ Zip: \_\_\_\_\_

### Contact Preferences

Please contact me (us) via email.

The email address is: \_\_\_\_\_

Please contact me (us) by phone at:

\_\_\_\_\_

I have already made provisions in my estate plans for a bequest to my parish and/or the Diocese and would like additional information about becoming a member of the Father Thomas F. Price Catholic Heritage Society.