

UNRESTRICTED GIFTS

When a donor makes an unrestricted gift, they do not specify an area that will benefit from the gift. Instead, the gift is directed to the Foundation, which receives input from the school about their greatest needs.

RESTRICTED GIFTS

Making a restricted gift allows you to designate a specific use for the funds, such as support for students, faculty, facilities or various programs. For example, you may prefer to fund scholarships, a new library addition or a program.

In addition, gifts can be designated as either expendable or endowed.

EXPENDABLE FUND

A gift to an expendable fund can be used immediately by the Foundation for the purposes you designate. The principal of an expendable gift of \$5,000, for example, would be available in its entirety to the program or project you designate. The advantage of expendable funds is that they provide immediate support for the ministry of our schools.

ENDOWED FUND

When you establish an endowed fund to support a specific area in education, your gift is invested and only the annual investment income will be available for use by the Foundation. The net income earned annually from the investment is used for the purpose of the fund. The advantage of endowed funds is that they grow over time, providing increasing support for Lutheran Education.

GIFTS WHICH CAN BE MADE WITHOUT GIVING MONEY NOW

CHARITABLE BEQUESTS

Through your will or living trust, you can designate a specific percentage, dollar amount or item to be donated to the Lutheran Education Foundation. You can also designate that after other specific bequests have been filled, the remainder be directed

to the school. You may wish to consider naming the Lutheran Education Foundation as a “contingent beneficiary” in the event of your named beneficiaries do not survive you.

LIFE INSURANCE

You can name the Lutheran Education Foundation as a beneficiary, or owner and beneficiary of a life insurance policy. You can change the owner and/or beneficiary designation of an existing policy or purchase a new policy with such designations.

RETIREMENT PLAN ASSETS

Retirement plan assets are subject to income taxes during your lifetime and upon your death. If you leave retirement assets to a non-spouse beneficiary, they may be subject to both income and estate taxes. Many people prefer to avoid this double taxation by directing retirement plan assets as a gift to charity, in which case the gift is fully tax deductible from the estate as a charitable gift. Other assets can be left to family members that are not subject to income taxes when received.

RETAINED LIFE ESTATES

A less known giving option is the retained life estate. You can deed property, such as your home or farm, to the foundation now and receive a sizable income tax deduction. This is particularly attractive if your property is debt-free. One of the benefits of this option is you make the gift now, but continue to live on your property and retain all rights to collect rents or make improvements during your lifetime. This option may also be attractive if you own more than one home which you occupy only during certain times of the year.

NOTE: This information is not intended as legal advice. It is essential for your will and any charitable bequests to be done professionally and legally. For questions specific in nature, it is important to always consult your attorney and professional advisor(s) before making a decision.