



CREATING YOUR JEWISH LEGACY AT NVHC

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BECAUSE YOU CARE

A legacy is what you pass on or leave behind when you are no longer living. A legacy is an expression of your values and what has been important to you in your lifetime. As a member of NVHC you have already invested your time and money to ensure the well-being of this community. Perhaps you have built lasting friendships, perhaps you have engaged in meaningful celebration of milestones, perhaps you have found wisdom through study of Torah, perhaps you just want to ensure NVHC continues to be here for future generations of Jews.

Legacy giving is a way that you can “give back” to the community that has meant so much to you in your lifetime. Many charitable organizations rely on planned giving as a critical component of their fundraising. This includes colleges and universities, arts organizations, hospitals, churches, and synagogues. In fact, *Giving USA* reports that 10% of 2019 charitable giving in the United States was through bequests, that is, making a stipulation in your will or living trust for a charitable gift. Your participation in our Legacy Giving will help ensure long-term financial stability to the community that you love so much.

MANY OPTIONS TO GIVE

When you plan a gift to NVHC in your estate or financial plan, you ensure our long-term financial stability for our community. The information in this guide will provide more insight into how you can include a legacy gift to NVHC as part of your philanthropic plans, and how to communicate your plans to NVHC and your estate managers. You can find ideas for giving that provide benefits to you and your heirs while helping to ensure the future of NVHC and the community it supports. We welcome gifts of every size; no gift is too small.

DESIGNATING YOUR GIFT

From NVHC’s perspective, there are three options for how you can designate your gift:

- **Unrestricted.** Making a legacy gift without restrictions is straight-forward and provides the Board of trustees the greatest flexibility to allocate your gift towards the greatest need at that time.
- **Endowment Fund.** You could designate your gift to our endowment fund. The endowment fund will be governed according to the NVHC Endowment Governance Policy and invested and carefully managed by the NVHC Investment Committee to assure long term sustainable growth.
- **Customized.** We are happy to work with you to direct your gift towards a specific program or need.

We are happy to assist you in any way we can as you consider which option is right for you. Please contact Joe Miller, Executive Director (joe@nvhcreston.org or 703-437-7733 ext. 105) to make an appointment.

FUNDING YOUR GIFT

There are many different types of planned gifts, from simple bequests to complex trusts to modern forms of non-cash giving. We will explain some of the most common forms of giving here, but encourage you to consult your financial advisor or lawyer to determine the best option for your situation.

Giving Through a Bequest. The most common type of legacy gift is a bequest in which you add a stipulation to your will that a set dollar amount or portion of your remaining estate will be given to charity. In addition to filling an important role in providing for the future financial security of your family and loved ones, your will or living trust can offer a way to make thoughtful charitable gifts as part of your long-range estate and financial plans. It can be satisfying to know that a portion of your property will be put to good use aligned with your values in the future.

A gift made through a will or living trust can be convenient to arrange. A simple provision or amendment prepared by your attorney at the time you make or update your will or trust may be all that is necessary. Gifts included in wills and living trusts are popular because they are flexible, easy to arrange, and may be changed with your life circumstances.

Check with your financial advisor to determine the giving strategy the is best for your situation.

Designating a Beneficiary. Another popular option is to name a charitable organization as a beneficiary of your estate. This can be done with any asset that asks you to name a beneficiary such as a life insurance policy, a retirement account, an investment account, or various types of annuities and trusts. Retirement assets can include an individual retirement account (IRA), 401(k)s, 403(b)s, and pensions. These types of planned gifts are a good option for donors who have paid-up policies or retirement accounts assets they don't expect to use. Gifting retirement accounts and life insurance policies can help your heirs avoid income and estate taxes. Beneficiaries can also be designated on non-retirement, non-annuity accounts such as a brokerage or a bank account.

Qualified Charitable Distributions (QCDs). You can donate part of your Required Minimum Distribution (RMD) from a retirement account directly to NVHC and lower your taxes through a Qualified Charitable Distribution. A QCD is a payment made directly from a traditional individual retirement account (IRA) to a qualified charity. It counts toward the required minimum distribution (RMD) that taxpayers aged 72.5 and older must take each year from their IRA. Any portion of the RMD that goes to the taxpayer is subject to taxation; the QCD is tax free up to \$100,000 a year.

Because the QCD is not taxed, both the taxpayer and the charity benefit—the taxpayer can make a bigger impact, and the charity receives a larger gift. Furthermore, because the QCD counts toward the taxpayer's RMD, it reduces any remaining taxable portion of the taxpayer's IRA distribution. The QCD is also deducted from the taxpayer's adjusted gross income, potentially further reducing the taxpayer's tax liability. And by lowering the taxpayer's adjusted gross income, the QCD may affect income-related costs, such as taxes on Social Security benefits and Medicare payments. Please note: the taxpayer cannot take the QCD as a charitable deduction.

Consultation with a tax adviser is recommended for anyone considering a QCD.

Other Options. Depending on your age and financial situation there are other types of planned gifts that you can consider such as charitable gift annuities, charitable remainder annuity trusts, charitable remainder unitrusts, charitable lead trusts, retained life estates, and other non-cash gifts. Consult your financial advisor to determine if any of these vehicles are right for you.

DOCUMENTING YOUR INTENT

We place a high priority of ensuring your gift is used consistent with your intent. Legacy gifts are essentially deferred donations which will not be disbursed until after you pass away. That means you will not be there to ensure the gift is used as you intended. So, it is important that your intent is documented.

Once you have determined how you would like to designate your gift and how you will fund your gift, we encourage you to make an appointment with our Executive Director, Joe Miller to ensure we understand your intent and that your intent is aligned with NVHC needs and strategic priorities. We will provide you with a template to complete a letter of intent to document your choices and to ensure we know who to contact when the time comes. The letter of intent will be signed by you and the Executive Director. We strongly encourage you to keep a copy of this letter with your estate documents and ensure that your Executor and loved ones are aware of your intent.

DONOR RECOGNITION

Recognition is customary with Legacy giving programs and we would like to honor everyone who decides to participate. Once you confirm your participation in our legacy giving program, you become a member of our Legacy Giving Circle. The names of the Legacy Giving Circle members will be shared with NVHC members periodically through *The Glance* or other means. We may consider other forms of recognition in the future as our program grows. Of course, you may also remain anonymous if you prefer.

STEWARDSHIP OF YOUR GIFT

Ultimately the NVHC Board of Trustees has a fiduciary responsibility to ensure that your gift is used consistent with your intent and consistent with the mission and needs of the synagogue. We have placed several structures and processes in place to ensure appropriate stewardship and management of your gift.

First, every few years, we will check in with you to confirm that your situation as reflected in your letter of intent is still accurate. We also ask that you inform us if your circumstances change, and you have made changes to your estate documents which would impact your gift. Your gift is revocable and you can change the terms of your gift at any time. As the donor, you remain in control of your gift.

Second, the management of NVHC funds, windfalls, and endowments are governed through a set of policy documents. Both the Strategic Development Committee and the Finance Committee have a role in overseeing and providing guidance and recommendations to the Board. At no time will any one individual make decisions about the use of your gift. Rather, the Board will consider the intent of your gift, and current needs and priorities at the time your gift is realized.

Specific policy documents are listed below.

- NVHC Bylaws
- NVHC Strategy 2030
- Legacy Giving Standard Operating Procedures
- Investment Policy
- Reserves and Cash Management Policy
- Donor Designated Funds Policy
- Endowment Governance Policy
- Gift Acceptance Policy

If you would like to review any of these documents, please contact the Chair of the Strategic Development Committee, vpdevelopment@nvhcreston.org.

Definitions of Key Terms

TERM	DEFINITION
Bequest	A bequest is the personal property gifted to beneficiaries through the terms of a will when the original owner dies. A bequest can be cash, stocks, bonds, jewelry, or other personal items. To make a charitable bequest, a donor has to allocate a portion of their estate to a nonprofit in their legal will. They can be allocated as a specific amount or as a percentage of the total estate. Bequests don't cost donors anything in their lifetime. They can be a helpful planning tool for donors concerned with potential estate tax obligations for their heirs.
Charitable Gift Annuity	With charitable gift annuities, donors give an irrevocable gift of cash or securities to a nonprofit in exchange for a fixed income payment for a set term or for life. The donor can take an immediate tax deduction while the nonprofit invests and grows the funds. Charitable gift annuities are a good option for donors who want to make a large gift while still protecting their income.
Charitable Remainder Trust	<p>A charitable remainder trust (CRT) is a legal entity that you create for the purpose of holding and managing assets (cash, real estate, publicly traded securities, artwork). The trust is wholly separate from you. It owns any assets it holds, pays taxes and requires management just like any other legally recognized entity. A charitable trust can specifically help manage charitable giving. It distributes its proceeds and assets to charity based on your instructions and can do so both during your lifetime and after your death. Charitable remainder trusts can be designated as one of two types: Charitable remainder annuity trusts (CRATs) or charitable remainder unitrusts (CRUTS).</p> <p>Charitable remainder annuity trusts pay out a fixed percentage of the trust's initial value each year. These payouts are made until the trust terminates, which occurs when the original donor who established the trust passes away. The minimum distribution amount required each year from a CRAT is 5%.</p>
Charitable Remainder Unitrust	A charitable remainder unitrust is a little more flexible than an annuity trust. It pays a fixed percentage of the trust's value, as determined on an annual basis. Similar to CRATs, the minimum annuity payout is 5%. Donors who establish a CRUT can make additional contributions to it after the initial contribution. This type of grantor trust can provide income to a named beneficiary, including themselves or a family member. Once the donor passes away, any assets remaining in the trust go to charity.
Charitable Lead Trusts (CLT)	A CLT is used by financial planners as one type of estate planning. Beneficiaries can receive tax-advantaged proceeds available from the trust at the end of its term. If one establishes a CLT, they and possibly their family will donate assets to the trust. Then, those assets will provide an income stream to one or more charities that you, as the owner of the trust, designate. At the end of the term of the trust, typically 10 or more years, the remainder of the trust funds are distributed to either the owner or your beneficiaries. CLTs are irrevocable trusts.

TERM	DEFINITION
Endowment	<p>Endowments are investment vehicles that generate income for non-profit organizations. Endowments typically have a board of trustees that makes decisions regarding the endowment, as well as an investment committee and investment manager.</p> <p>Endowments are often set up so that the principal remains untouched, despite return on endowments being fairly modest (usually around 5%). The idea is to provide a steady stream of capital to the organization, on top of other donations and income.</p>
Endowment Life Insurance Policy	<p>An endowment life insurance policy is a form of life insurance that comes with a guaranteed pay-out, or endowment, at the end of a set term. This is different from a regular-term life insurance policy.</p>
IRA	<p>IRA = Individual Retirement Account. Under the Legacy IRA Act of 2022, donors who are at least 72.5 years old can donate up to \$100,000 per year from their IRA directly to a qualifying charity. This type of donation is known as a Qualified Charitable Distribution (QCD) and has several advantages over traditional charitable giving. Enables donors to designate a gift to NVHC that will count toward their annual required minimum distribution and can be excluded from donors' gross income in the year it is given.</p>
Qualified charitable distribution (QCD)	<p>A QCD is a payment made directly from a traditional individual retirement account (IRA) to a qualified charity. It counts toward the required minimum distribution (RMD) that taxpayers aged 72.5 and older must take each year from their IRA. Any portion of the RMD that goes to the taxpayer is subject to taxation; the QCD is tax free up to \$100,000 a year.</p>



NVHC Legacy Giving Declaration of Intent

I/We are pleased to include the Northern Virginia Hebrew Congregation (NVHC) in our estate plan. I/We understand that completion of this form does not create a binding obligation and may be revoked or modified at any time. The detailed information that we provide will remain confidential.

Gift Information:

I/ We would like for this gift to be designated for the following:

- Unrestricted: Use my gift where the need is greatest
- Endowment: Include my gift in the NVHC endowment, subject to the Endowment Governance Policy
- Other: Direct my gift to the purpose of _____

I/We have made provisions to support NVHC as set forth in the following:

- Bequest in my will / estate
- Bequest in my Revocable Trust
- Charitable Remainder Trust
- Retirement plan: IRA, 401K or 403b Account
- Other _____

The current estimated value of my/our gift is \$ _____

Donor Recognition: Please select one of the following.

- I/We wish to have my/our names(s) listed as follows: _____

- I/We wish for this gift to remain anonymous

Donor Information:

Name(s): _____

Address: _____

City _____ St _____ Zip _____

Phone: (H) _____ (W) _____ (C) _____

E-Mail(s): _____

Attorney/Executor Information:

Attorney/Executor: _____

Address: _____

Phone: _____ E-Mail: _____

Optional Details:

Additional information about my/our gift: _____

Please sign below to confirm your intention to make a legacy gift. Your commitment to this gift may be amended or revoked at any time.

Member Signature _____ Date _____

Member Signature _____ Date _____

Executive Director Signature _____ Date _____

Please schedule a time to speak with Joe Miller, the Executive Director, prior to returning this form.

Please return to:

Northern Virginia Hebrew Congregation
1441 Wiehle Avenue
Reston, VA 20190

Phone: 703-437-7733 Email: joe@nvhcreston.org Website: www.nvhcreston.org

For questions, please contact Joe Miller, Executive Director.

Northern Virginia Hebrew Congregation (NVHC) is a non-profit organization under Section 501(c)(3) of the Internal Revenue Code

NVHC Tax ID number: 54-0921162