



# Make a Difference Today... With a Gift for Tomorrow...

AN ESTATE AND CHARITABLE PLANNING GUIDE

## Forever and a Day

The Lifetime of an Endowment Means Your Generosity Never Ends

Would you like to extend your values by making a gift to us that will last indefinitely? Consider establishing an endowment. It's a powerful way to show your support, while also realizing tax benefits for your kindness.

To create an endowment, you make a gift that we carefully invest. Then, each year a small portion of the endowment is used to meet your charitable goals. The rest of the fund remains invested to keep it healthy and growing far into the future. Here are some frequently asked questions and answers about this type of gift.

### What's the best way to fund an endowment?

There are a number of different options. You can fund the endowment today with gifts of cash or appreciated securities, or establish the endowment after your lifetime with gifts of retirement plan assets, life insurance benefits or the balance from a charitable remainder trust.

### Who decides how my endowment will be used?

You do. You may restrict your endowment to a particular cause or purpose, or you could provide unrestricted funds, which means our board can direct the annual funds to meet our most pressing needs.

### How can I be certain my wishes will be honored?

To ensure that your gift is always used according to your wishes, your charitable intentions are put in writing so there will never be confusion.



**Please call us today to learn more about how you can leave a legacy of helping others.**

## INSIDE

- Traps of an Online Will
- 5 Ways to Remember Us in Your Will

## Keep Your Gift Working

We encourage you to include a statement that allows us to redistribute the funds to another area if the original use is no longer necessary. We can provide you with language to ensure that your name still remains associated with the gift.



# Traps of an Online Will

When DIY and Convenience Can Lead to Later Complications

When the economy shriveled like a raisin in 2008, we were supposed to get back to the basics. You know—growing and cooking our own food, biking to work and tinkering with home repairs ourselves.

Uncertainty for the future revealed a growing movement toward frugality, but eventually frugality developed its own cache. For instance, the number of homes growing vegetables jumped 40 percent from 2007 to 2009, according to the National Gardening Association.

A lot of people began playing doctor, deferring to popular clinical websites like WebMD instead of visiting their physician. Meanwhile the number of self-prepared tax returns increased 6.7 percent in 2010 over the previous year, according to the IRS.

In the estate planning arena, some are substituting estate attorneys with “easy-to-use” online wills.

While a Lawyers.com survey shows that the number of Americans who have a will declined from 2007 to 2009, there is no shortage of websites offering online estate planning. But is DIY estate planning really a smart way to save money?

## When Convenience Doesn't Deliver Confidence

Let's take a look at Jana Thompson's\* story.

Jana, like so many of the estimated 50 percent of U.S. adults who don't have a will, was worried about her husband and three young children's future. So, she turned to a popular website for online wills.

But after spending 90 minutes creating a will, she still felt vulnerable.

## Use at Your Own Risk

“The most frightening part of doing the will was reading this huge disclaimer when I got started that said this computer program is not legal advice,” Jana says. “Did I really want to risk my family not getting the items I intended if it ends up this isn't legal at all?”

Jana's online will allowed her to divide her assets among her three children, but—for some reason—her children would receive all of their inheritance at age 21.

“This wasn't what my husband and I wanted for our kids, but basically, the computer program gave me no other choices,” Jana says.

## More Questions Than Answers

Despite the convenience, Jana's concerns persisted.

*What should I do with the printed will? How many witnesses do I need? Should it be in a safe-deposit box?*

\*Although this article is based on a real-life example, the name has been changed to protect privacy.

## Make Tax-Free Gifts From Your IRA!

If you're looking for the most tax-effective gift to make to our organization, Congress recently extended a law that allows individuals 70½ or older to make tax-free gifts today using funds transferred directly from their IRAs to qualified charitable organizations like ours. You can transfer any amount up to \$100,000 through the end of 2011.



**For more details on how to make a gift, contact us. We're happy to help.**

With so many loose ends, she finally gave in and sought the advice of estate planning attorney Johni Hays. Hays confirmed Jana's suspicions: Online DIY legal documents are far too limited.

"You see, an estate plan is more than just a will," Hays says. "It includes a durable power of attorney, a health care power of attorney, a living will and potentially one or more trusts. In addition, an estate plan includes a review of your beneficiary designations of retirement plans and life insurance to make sure they flow with the overall estate plan."

### Realizing the Risks

While saving money was a huge incentive, Jana was also convinced she could perform the task on her own.

"Many people have reservations about going to a lawyer's office," Hays says. "Some feel intimidated; they fear a huge lawyer bill they can't afford; and also, they don't want to talk about death. So, to do this in the privacy of their home is appealing to them."

## 5 Ways To Remember Us in Your Will

A gift in your will, called a bequest, is not only philanthropic, it's also savvy estate planning. Here are some popular ways to make this type of gift and help us further our mission:

- 1 Unrestricted bequest.** By making an unrestricted gift of a given sum of money or other asset, you allow us to apply the funds to our most pressing needs.
- 2 Percentage or remainder.** You may choose to leave us a percentage of your estate or the balance remaining after bequests are distributed to your other beneficiaries.
- 3 Trust for spouse.** In your will, you may want to place some or all of the remainder

## Does Your Will Cover Your Particular Situation?



Our FREE guide, *Your Will: Uniquely You*, shows you how to address your specific needs and goals. Return the enclosed reply card to receive your copy.

But it isn't safe, and with varying estate laws from state to state, people who turn to these programs could be taking one of the biggest financial risks of their lives. In many instances, these DIY wills may be legally executed but the provisions are not well-thought-out.

### Smart Planning

Enlisting the services of a qualified estate planning attorney can ultimately save your estate money and eliminate heartache in the long run. As you create your will, we hope that you will also consider including a gift to us in your plans.

of your estate in a "QTIP" trust for the benefit of your spouse. After your spouse's death, all or part of the trust remainder will be distributed to us.

- 4 Life income plans.** Establish a charitable remainder trust in your will, which pays an income to your beneficiaries for life or a term of years. After that, the remainder is given to us.
- 5 Memorial fund.** You can establish a permanent memorial fund through your will and specify how we should forever use the income. The fund can be established in your name or in memory of a loved one.

## Your Estate Planning Team

### Who Plays What Role?

When you begin to put your estate plan in order, you might wonder, *Where do I start?* or *Who do I call first?* Here is a list of people to help guide you:

- **Attorney:** You'll most likely want to start with an estate planning attorney. The bulk of your estate plan is created by legal documents, such as a will, a trust, powers of attorney, living wills, etc., and only an attorney can prepare these documents on your behalf.

#### Extra Help

Depending on the size and complexity of your estate, your attorney may recommend adding the following professionals to your team:

- **Trust officer:** This professional can assist with any trusts in your plan that are created now (e.g., a revocable living trust) or at your death, for your spouse, children or other loved ones.
- **CPA/tax professional:** Your estate plan may also require a review of tax issues such as income, estate, gift and capital gains, making a tax professional a crucial team member.

- **Insurance professional:** An estate plan reviews the amount of life insurance that may be needed at your death to provide for survivors' needs. In addition, for larger estates, life insurance may also be needed to pay federal or state estate taxes.
- **Gift planning officer:** If you're considering including a charitable organization, such as ours, in your estate plans, our representative can work with your team to develop the best gift plan to meet your needs and ours.



## What You Can Do Today to Ensure Planning Success



Return the enclosed reply card to get your FREE guide, *Your Will: Uniquely You*, and discover the power of your will.



Think about the past year. Make a list of changes that have occurred in your life and may affect your current estate plans. Share your concerns with your estate planning attorney.



Contact us if you'd like to walk through your giving options in person and at no obligation. We would be happy to help you.



### Join the *Make A Difference Society Today*

By making a gift to the KSI Endowment Fund or by making a planned gift, you can become a member of the *Make A Difference Society*.

Call Alicia Hollis at (302) 422-4014, Ext. 3015 to find out more details.



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