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CHRISTIAN STEWARDSHIP WITH EXCELLENCE

PLANNED GIVING Spotlight

A Publication of Barnabas® Foundation

April 2005

Stewardship

Bonding the Generations

Today's children will need all the help they can get to learn God's principles regarding their finances. Our society bombards them with messages that are often in direct contradiction to good stewardship. The voices giving them sound financial principles that connect their faith and finances are few.

Certainly parents have the primary responsibility to teach financial principles and model fiscal discipline. Yet, grandparents have a unique opportunity to impact their grandchildren's financial understanding in many ways:

- Model an attitude of thankfulness at all times, recognizing that God is the provider.
- Discuss financial principles you have learned throughout your life.
- Offer to match their savings for a worthwhile project.
- Research a charity about which you can both be passionate and support together.
- Help your grandchildren see the value of long-term financial goals and share with them how you reached yours.

Grandparents, don't take for granted the simple act of sharing your own stories of God's work in your life. Your grandchildren need to see your footprints to guide them. The rewards of teaching financial values according to biblical principles will provide your children and grandchildren the foundation for joyful giving and responsible living.

One generation will commend your works to another; they will tell of your mighty acts. Ps. 145:4

Share Your Stewardship Story!

In your own personal stewardship journey, what has been the most life-changing experience for you or your family? Maybe it was a book, a sermon, a small-group study, an event, a person, or maybe it was something entirely different! Whatever it was, we'd like you to share it.

If you use a computer, please go to our website at www.barnabasfoundation.com/firstfruits, click on "Share Your Stewardship Story" and give us the details.

Or send your story to Laura De Vries, Barnabas Foundation, 18601 North Creek Drive, Tinley Park, IL 60477-6238.

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Estate Planning

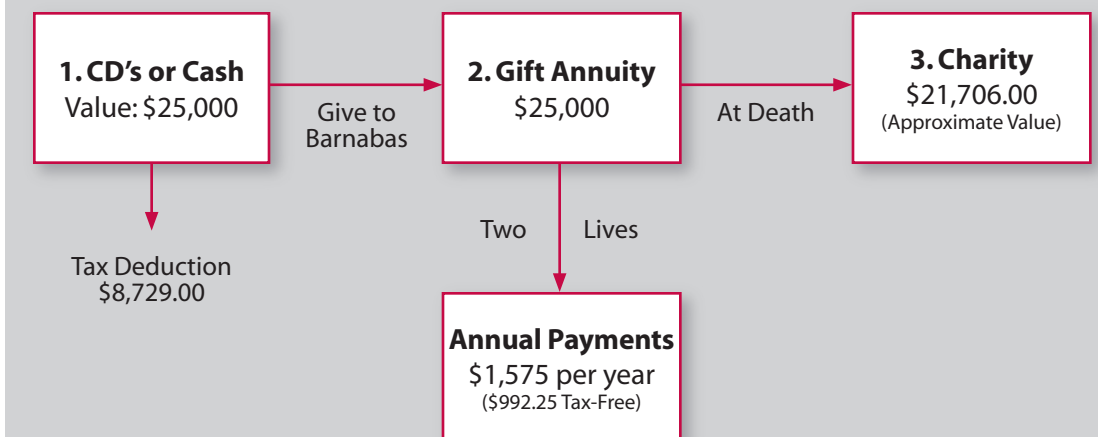
Discover the Multiple Dimensions of a Gift Annuity

Charitable Gift Annuities have become an increasingly popular option for people to give to their favorite charity while, at the same time, stabilizing or increasing their income. A portion of the income is tax-free making Gift Annuities even more attractive to people who want to lower their taxes. Ministries value Gift Annuities because they are assured of a gift that will become available to the Ministry after the donor passes away.

Let's look at an example. Suppose that a few years ago Art and Wilma were looking at their retirement income needs. They had a number of CD's but were disappointed with the income they were receiving from them. Then they heard about the concept of a Gift Annuity. They liked the idea that they could make a gift and receive an income for life. When one of the CD's came due, they called and were informed that they could make a gift of \$25,000, take a charitable deduction for \$8,729 and receive 6.3% back each year for their

(cont'd. on pg. 2)

Art & Wilma
Age: 75 Rate 6.3%



Released 7yrs. Later
Deduction: \$12,425.00

Discover the Multiple Dimensions of a Gift Annuity (cont'd. from pg. 1)

lifetimes. They decided a Gift Annuity was right for them. They established the Gift Annuity and for several years they enjoyed the income they received from it.

Advantages of a Gift Annuity for Art and Wilma

A Gift Annuity will provide:

- Increased income (amount fixed for life).
- Charitable deduction for a portion of the gift.
- Payments are partially tax-free.
- Benefits their favorite ministries at their deaths.

As time passed, Art and Wilma realized that they no longer needed the income from the Gift Annuity. They also became aware that the ministry their Gift Annuity is with had a special need they wanted to support. Wilma read an article stating that they could release the charity from making any further payments to them. Doing so would allow them to receive an additional charitable deduction. It would also be a significant benefit to the ministry because it could accelerate the use of the money Art and Wilma had given.

After talking it over, they decided to release their right to receive any future payments from the Gift Annuity. By doing so, they received an additional charitable deduction of \$12,425 and the ministry was able to use the money immediately rather than waiting until both of them were gone. Even more importantly, Art and Wilma were able to see the benefit of their gift to the ministry while they were still alive.

Do you have a Charitable Gift Annuity that you no longer need?

Releasing your Gift Annuity will provide:

- A charitable deduction for you.
- Immediate use of the funds by the ministry.
- Reduction of the ministry's administrative costs.
- Satisfaction of seeing your gift at work immediately.

As you see with Art and Wilma, there is an additional giving opportunity for you if you have a Gift Annuity but no longer need the income from it. You can give up your right to future payments, receive a charitable deduction for the gift and accelerate the benefit to the Christian organization you want to support.

If you would like more information on establishing a Gift Annuity or releasing your interest in one you already have, call Barnabas Foundation at 1-888-448-3040.

Charitable Gift Annuity Rates*

Age	One-Life	Two-life**
65	6.0%	5.6%
70	6.5%	5.9%
75	7.1%	6.3%
80	8.0%	6.9%
85	9.5%	7.9%
90	11.3%	9.3%

* Source ACGA (July 1, 2004)

** Assumes both spouses are the same age

Record Numbers in December



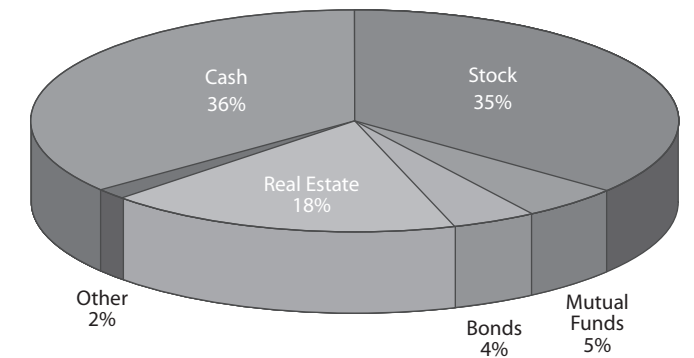
Henry Doorn

If it seemed busy when you contacted us at the end of the year, it was because 60% of the gifts given in 2004 came in to our offices during December! We saw record numbers in a lot of categories this past year.

Over \$20 million was received and \$21 million was distributed out to charities through the Stewards Fund during 2004. This was the highest amount for annual contributions to the Stewards Fund since 1999, when a record \$27 million dollars was received. Below is a graph that shows just what kinds of gifts were given throughout the year.

In early 2004, we introduced the online e-Grant Recommendation System. This new program received 172 Stewards Fund grants totaling over \$4 million benefiting over 250 different charities.

Types of Gifts Given For Year Ending 12/5/2004



In addition, we had a record breaking year in the number of Gift Annuities issued. 43 Charitable Gift Annuities totaling over \$1.3 million were established.

We would like to express our gratitude to each of you for putting your continued confidence in us and for entrusting us with what God has entrusted to you. We look forward to making 2005 another record breaking year!

Tax Updates

Issues Affecting Charitable Giving are on the Front Burner in Congress

The Bush administration's proposed budget has several key provisions affecting charitable giving. The most popular is the provision allowing charitable gifts from IRAs to qualified charities. This provision has been proposed for several years but has never become law. While its passage is uncertain, it is encouraging to see it has bipartisan support.

In addition, another effort has been mounted to permanently repeal the estate tax. Under current law, the estate tax is repealed in 2010 only to be reinstated in year 2011. The uncertainty surrounding the current law makes estate planning difficult for many people. It is likely that some estate tax legislation will pass this year.

The current rates are listed to the right.

Estate Tax Rates

Year	Death Exemption*	Rate
2005	\$1,500,000	47%
2006	\$2,000,000	48%
2007	\$2,000,000	48%
2008	\$2,000,000	45%
2009	\$3,500,000	45%
2010	Repealed	0%
2011	\$1,000,000	55%

* Exemption for transfers at death, including generation skipping transfers. Lifetime Gift Exemption remains at \$1,000,000

Member News

Are You Interested in — Getting What We Have Paid For?

Note to Members:

Many members routinely include us in their publications (our thanks to organizations like Wedgwood Christian Services, Chicago Christian Counseling Center and Christian Reformed World Missions). We would like to offer a piece that you may reprint and include in your next publication.

The following article explains the relationship between your organization and Barnabas Foundation.

Where to go for estate planning advice is a dilemma for many couples.

A *Fee Only Planner* charges an hourly rate to prepare an estate plan. They get no commissions on the sale of investments, so one would think that their advice is the most objective. On the other hand, *Investment Advisors* make their living on the commissions that are paid as part of the sale of investment products. Often, couples feel that estate planning advice may be skewed toward specific products that offer the highest commissions. Others are concerned about being pressured into buying products they really do not need or want.

But what about the Estate Planning Services of Barnabas Foundation? They have no products to sell. They are not funded by commissions. Yet, their services are comprehensive and objective. The reason is that the services of Barnabas Foundation approaches Estate Planning from a distinctively Christian worldview. Each of their planners are themselves dedicated Christians and understand that all we have is actually owned by and a gift from God.

The services of Barnabas Foundation are pre-paid by organizations like us for our donors. While very few of us could afford to hire high quality lawyers and accountants by ourselves, when we pool our resources, we can all benefit from their expertise.

When you are about to plan your estate, remember that as one of our supporters, we have already paid for your use of the expertise of Barnabas Foundation. Even if you already have an estate plan, their Estate Planners are more than happy to give you a second opinion.

Events

Mark Your Calendars

Mark your calendars now for the **2005 Barnabas Foundation Annual Conference scheduled for September 21-23, 2005** entitled "Investing for Eternity." This year the conference returns to the Holiday Inn Convention Center, Tinley Park, Illinois.

Whether you are new to development, devote only a portion of your time to planned giving or you are a seasoned planned giving professional, you will find sessions that challenge and encourage you in your work.

You won't want to miss the inspiring general sessions, valuable educational choices or the time for networking with other attendees. Watch for detailed information coming your way soon!

Special Features:

Wednesday — Development Boot Camp

In addition to the usual conference schedule, we will be offering a one-day basic development training seminar on Wednesday, September 21. The seminar is designed for those new to development or anyone needing to brush up on the fundamentals of development work.

Friday — Awards Luncheon

New this year will be an awards luncheon and an opportunity to once again tour the Schaaf Truck and Tractor Museum or enjoy a round of golf on one of the Southside's most beautiful and challenging golf courses.

Introducing Ray Vander Weele



Ray Vander Weele

Recently, Dr. Ray Vander Weele joined us as a Financial Seminar Consultant to provide seminars on a variety of topics such as: Planning for Retirement, Financial Planning for Families, Effective Use of Assets for Charitable Giving, Investment Planning and Asset Allocation, etc. These seminars are available

at a very modest cost to our member organizations, local churches, Christian schools and other groups.

Ray is well known in the Christian Reformed community through his work as the Executive Director of the CRC Ministers' Pension and Insurance Program. He also taught at the University of Wisconsin and Calvin College. Most recently, he was a Vice President at Merrill Lynch.

Dr. Vander Weele has degrees from Calvin College, Northwestern University and University of Wisconsin, and is certified as a CPA (Certified Public Accountant), CMA (Certified Management Accountant) and CFM (Certified Financial Manager).

Ray is especially adept at translating complex issues into readily understandable language. If you would like to have Ray address your group, please contact Barnabas Foundation at (888) 448-3040 today!

Introducing Dick Benoit



Dick Benoit

We are pleased to announce that Dick Benoit will be joining the Barnabas Foundation team on a part-time basis as a Planned Giving Consultant for our member organizations. One of the challenges many of our members have is knowing how to most effectively use our resources with

their donors. Dick's knowledge and experience in planned giving and his ability to predict who will need and benefit from Barnabas Foundation services makes him a valuable resource to you. Dick comes to us after working many years with non-profit organizations. He spent the past 9 years with HCJB World Radio in planned giving where he established a strong gift annuity program.

Mr Benoit will come along side our member organizations working to enlarge their donor base and planned giving efforts. Specifically, he will:

- Meet with you to identify and cultivate your best prospects.
- Mentor your staff on how to discuss and encourage planned gifts with donors .
- Train staff on techniques to bring Barnabas Foundation's resources to a prospect.
- Follow up with staff to encourage, trouble-shoot, and monitor progress toward goals.

The key task for you, our members, is to connect qualified prospects with Barnabas Foundation's resources. If you would like Dick's assistance within your organization, contact us at (888) 448-3040 today!

Charitable Gift Annuity Kits

Charitable Gift Annuities make up a major percentage of charitable gifts. Barnabas Foundation has developed a resource kit to help you market Charitable Gift Annuities to your donor base.

This kit includes material such as, advertisements, direct mail letters, sample illustrations, explanation sheets and an introduction to Barnabas Foundation.

If you would like to have Barnabas Foundation administer your gift annuity program call us to sign up today and receive your free kit. It will also be available on our website (www.barnabasfoundation.com).