

PLANNED GIVING Spotlight

A Publication of Barnabas® Foundation

April 2006

Wills and Estates

An Incomplete Plan is No Plan

Mr. B. had great intentions. For years he had known he needed to make a will, but had not gotten around to it. Even though his wife had died a few years earlier without a will, he just did not find the time to talk with an attorney about preparing his own. After some prompting by a friend, he decided to call one of the Barnabas Foundation estate planners to help him put together an estate plan. They met and worked through the decisions needed for his will. He even took the next step and met with his attorney. There were just a couple decisions he needed to make before the attorney could prepare the document for him to sign.

The paperwork was on his desk the day he died. His death was completely unexpected. In fact, he had just set up a meeting for the following week to finalize his estate plan. Sadly, none of the decisions he had made mattered now. Because he did not have a signed will, his estate would be distributed according to state law.

Each state has its own law about how a person's estate will be distributed if there is no will at his or her death. No consideration is given to unique family situations,

special needs or concerns, and the distribution is not affected by the individual's values, or charitable desires.

For Mr. B, the final result was that his assets were not distributed as he had planned.

Unfortunately, this story has been repeated over and over with

Godly people who know how they would like to have their estate distributed but fail to put it into a legally binding document.

For some families, these results can be disastrous. Locating assets, distribution of personal items, questions about family debt, payment of unnecessary taxes and many other issues cause hardship and, in some cases, create divisions in families that last for years.

What is the status of your estate plan? Do you have a will or revocable living trust? Is it up-to-date? Have you met with one of the Barnabas Foundation estate planners but never quite got around to finalizing the plan? If you do not have a completed plan that reflects your current wishes, take action today. For a confidential meeting with a Barnabas Foundation planner, call 888-448-3040 to schedule your appointment.

Who Should Handle Your Affairs After You're Gone?

When you review your estate plan, you need to consider whether the people named as executor of your will and trustee of your trust (if you have one) are still the appropriate choices. Before you can answer these questions, it is helpful to define both terms.

- An executor (also known as a "personal representative") is the person who is responsible, upon your death, for locating and valuing your assets, paying your final expenses, and distributing the rest of your property.

(cont'd. on pg. 3)

In this issue

Comments from the Executive Director 2

Life Stories 2

Michigan Office Expansion 3

How to Handle Your Possessions 4

Norm Vander Wel (1/21/1941-1/06/2006) 4

Comments from The Executive Director



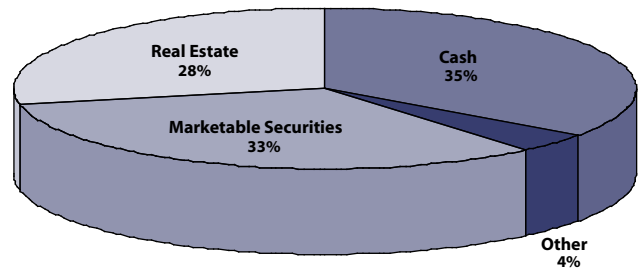
Henry Doorn

Barnabas Foundation is happy to report that because of your work with us, we received a record amount of Stewards Fund contributions in 2005. 426 contributions were made, totaling more than \$30 million dollars! Our staff would like to thank you for putting your continued confidence in us and for entrusting us with what God has entrusted to you!

The types of assets used to make those contributions varied widely and included cash, stocks, business interests, mutual funds, real estate and intangible assets. Over the last five years, real estate has become an increasingly appropriate asset for Christians to use to make their charitable gifts. The fact that an “undivided

interest” can be given, such as 10%, 20%, or 50% of the property, allows people to give the appropriate portion based on their individual circumstances.

The following pie chart shows the breakdown for the types of assets given to Barnabas Foundation over the five-year period from 2001-2005.



Thank you again for allowing us to help you accomplish your charitable giving.

Life Stories: Stewards Fund



From Annie’s earliest memories coming over on a boat from Holland to America, to her days growing up on a dairy farm in California, she has seen God’s work in her life.

In 1946 she met and married her husband Tony Hogan. The couple worked hard in the first years of marriage, always remembering to give back to the Lord a portion of what He had given them.

Annie and her husband Tony were involved in real estate in addition to Tony’s work at Chrysler. Buying and selling property became more than just a hobby for Annie and Tony; it became a family business. Tony was able to retire from Chrysler and they continued buying more properties, adding on to them, renting them out and selling them.

And then Tony’s health began to fade....

His passing left Annie with significantly more financial wealth than she ever anticipated. After consulting with her children to determine that they would not need financial help, she asked Barnabas Foundation to help her structure an estate plan.

Annie’s passion is to see the results of her giving now and Barnabas Foundation is helping her achieve that goal. Her Stewards Fund Account allows her to make one, tax-efficient gift of appreciated assets and then recommend distributions to many charities. She also finds security in knowing that the bequests she has designated in her Living Trust will be appropriately distributed after her death.

Annie found that other professionals did not understand this concept as well as her Barnabas Foundation estate planner. “Bob [Zeilenga] didn’t even question why I wanted to give back to God what He blessed me with. It brings me great joy to be able to honor my husband in this way after his death.”

Who Should Handle Your Affairs ... *(cont'd. from pg. 1)*

- The trustee manages the assets placed in your trust. Unlike an executor, the trustee may need to manage your assets while you are living and continue to manage them after you are gone.

When naming an executor and/or trustee, you may choose an adult family member or trusted advisor, or a bank/trust company ("Bank"). Generally, a Bank will have more experience in the estate settlement process, management and investment of trust assets, and tax planning. Banks, however, charge fees that may prove too costly for your estate. A Bank may be a better choice for larger estates with a variety of assets, or estates that need complex asset management.

If you choose a family member or trusted advisor, that person has the benefit of knowing your family, may be

familiar with your affairs, and will probably be less costly than a Bank. That individual, however, may not have the expertise necessary to manage your estate. An honest mistake made by an inexperienced, well-intentioned family member may result in significant losses to the value of your estate.

One popular way of handling the choice between a Bank and a family member is to name both as co-trustees. The trusted family member lends intimate family values to the administration of the estate while the Bank adds expertise, objectivity and depth to the management.

You should discuss these options with your attorney when reviewing your estate plan. Making the right decision will ensure appropriate management of your estate.

Office News

Michigan Office Expansion

We are happy to announce two significant changes in our Michigan Office. First, we have added another attorney to our Estate Planning staff, Amy Bakker Baty. Amy joins Steve Baker in our Michigan office and comes to us after being in private practice for 17 years.



Amy graduated from Grand Valley State University with a Bachelor's of Business Administration degree and the University of Illinois College of Law with a Juris Doctorate. Most recently she has been a partner in the firm of McNeil, Karafa, Baty & Saunders, LLP, Grand Haven, Michigan, where she focused her practice on estate planning and probate administration. She is

joining Barnabas Foundation because of a strong passion to use her legal skills in an organization where she can be more focused on work that has a Kingdom impact.

We are thankful that God has led Amy to Barnabas Foundation and are excited about the contribution her enthusiasm, energy and expertise will bring to our team.

With the addition of Amy to our planning staff, Sue Raines, our administrative assistant in Grand Rapids, has transitioned from part-time to full-time. We are pleased that Sue was able to do this, thus serving our member organizations and their supporters more effectively.



Second, as of March 6, our Michigan office relocated to accommodate our additional staff. The new address and phone number is:

4843 Cascade Road SE
Grand Rapids, MI 49546-3781
Phone: 616-956-1232
Fax: 616-956-3440

If you live in West Michigan, stop by and see the new office and introduce yourself to Amy. You are welcome anytime.

Member Endowments Continue to Grow

Barnabas Foundation continues to experience growth in assisting our member organizations in managing their endowment and foundation assets. What started with assisting one or two organizations has grown into an increasingly important service to quite a number of our members. As of December 31, 2005, Barnabas Foundation managed more than \$17 million for 27 of our members.

Members find the following aspects of this service to be most attractive:

- reputable investment managers following social responsibility guidelines;
- diversity of asset classes available for investment;
- freeing up the foundation board to focus on promoting and growing the asset base rather than making investment decisions; and
- clear and concise monthly reporting.

If you think your organization could benefit from this service, please call Cindi Riemersma at 888-448-3040 or visit our website (www.barnabasfoundation.com) in the area of Resources for Member Organizations.

Tips from Top Producers

At the 2005 Barnabas Foundation Annual Conference we recognized several of our members' development officers as Top Producers for their effective use of Barnabas Foundation resources, which benefit their organizations. This column will feature ideas from those Top Producers. This issue's Tip comes from Dave Vander Werf, Director of Planned Giving, at Dordt College.

Maximizing Your Effectiveness With Donors?

Effective fund raising in today's environment means much more than having coffee with donors, making small talk, thanking them for their support and encouraging more gifts. As the options for gifting become more diverse, the casual approach to fund raising is increasingly ineffective and obsolete.

Today's environment demands a plan, and fundraisers who develop a plan can expect better responses from their donors.

A good fund raising plan involves several elements:

Prepare

Before the meeting, be sure you understand the match between the needs of your organization and the interests and financial ability of your donor. In that way, you can explain why their gifts are needed and how their gifts will make a real difference.

Develop an Agenda

Every donor is different so the agenda will vary, but make sure you have a goal for every meeting. Stay focused on it. If the goal is to ask for a gift, do not leave without asking for it. If you have done your research, you will be able to ask for a specific amount that will challenge your donor and help them take you seriously.

Listen

Part of your plan is to gather information about the donor. This information will be useful in all future meetings and provide clues to the donor's gifting ability. An effective listener not only knows how to listen, but also how to ask the right questions to open up the discussion. Listen for information about annual sales figures, ownership structures, number of employees, plant and equipment, acres farmed, real estate, investments, life insurance and other significant assets. Asking questions and showing interest in their lives will provide you with information on which to build ever-stronger relationships of trust. As you become better informed, you become a valued resource. And as you increase in value, the gifts for your ministry will likely grow as well.

As part of your database of donors, be sure to record the information you have gathered. Then, as you prepare to meet with each one, you can develop an agenda that is powerful and realistic.

Follow your plan and do business!

Charitable Gift Annuities

There have been several changes recently in Gift Annuity regulations in certain states:

California: Reserve assets in California may now be invested in mutual funds without the need to obtain advance approval from the Department of Insurance. Effective January 1, 2006, new disclosure language is required, but the Reasonable Commensurate Value calculation is no longer required. Also effective January 1, 2006, is the elimination of the need to file a copy of each new California Gift Annuity Agreement.

Oregon: HB 2092 became effective January 1, 2006, and effectively deregulated Charitable Gift Annuities.

Visit the American Council on Gift Annuities website at www.acga-web.org for details and specific information on state regulations of Charitable Gift Annuities.

In an effort to continue to serve you, our member organizations and your supporters, Barnabas Foundation continues to expand the number of states where we are qualified to issue Charitable Gift Annuities. In recent months, the following states have been added: **California, Maryland, New Jersey and Oregon.**

There are now only seven states where Barnabas Foundation is not approved to issue Charitable Gift Annuities.

We continue to assist a growing number of our member organizations in issuing Charitable Gift Annuities to benefit their ministry. Congratulations to *The Back to God Hour*, *CRWRC*, and *Mission India* for whom we have recently issued Gift Annuities.

Awards

Last year at our Annual Conference, awards were given to a number of individuals from our member organizations for their outstanding job of connecting donors to Barnabas Foundation.

The Top Producer Awards went to:

James Koeman, *Calvin College*
Nelson Nikkel, *Pella Christian Grade School and High School*
Don Van Maanen, *Lynden Christian Schools*
Dave Vander Werf, *Dordt College*
Dale Walvort, *Kalamazoo Christian Schools*
Vern Ten Napel, *Sioux Falls Christian Schools*
Steve Davis, *Bible League*
Richard Mulder, *Racom, The Back to God Hour*

Awards were also given to organizations that received the most benefit through individuals using Barnabas Foundation.

National/Regional—Anticipated Bequests

Christian Reformed World Relief Committee: \$4,846,000
Calvin College: \$2,745,000
Bethany Christian Services: \$1,935,000

Christian Schools—Anticipated Bequests

Southwest Chicago Christian School Association: \$711,000
Pella Christian High School: \$667,000
Grand Rapids Christian Schools: \$523,000

Stewards Fund Distributions

Holland Home: \$3,255,950
Calvin College: \$1,359,659
Trinity Christian College: \$805,975

Mark Your Calendar:

Michigan Open House

We are planning to hold an open house on April 28, 2006, to allow you to visit our new Michigan office and meet Amy Bakker Baty. We look forward to seeing many of you that day.

Annual Conference, September 20-22, 2006

Plan to be inspired in the general sessions, gain knowledge in the educational sessions and network with other attendees. The conference will be held at the Holiday Inn Convention Center in Tinley Park, Illinois. Questions? Call 888-448-3040.



BARNABAS[®] FOUNDATION

18601 North Creek Drive • Suite B
Tinley Park, IL 60477-6238
Toll-Free: 888-448-3040
www.barnabasfoundation.com

Non-Profit
Organization
U.S. Postage
PAID
Permit No. 342
Tinley Park

ADDRESS SERVICE REQUESTED

Stewardship

How to Handle Your Possessions

Did you know that there are more than 2,300 verses in the Bible that deal with our possessions? Jesus knew how important it was to talk about since two-thirds of His parables address the topic. Why are money and our possessions such an issue for God? The answer is that the way we handle our money does not just affect our pocketbook, it affects us spiritually. How we handle our money affects our relationship with the Lord.

Scripture highlights four major principles relating to our possessions:

- God is the owner of everything
- we are to be generous with what has been entrusted to us
- we are to prudently manage what has been entrusted to us
- possessions can be dangerous if not handled responsibly

We recently addressed these four principles in a series of articles in FirstFruits Findings, our stewardship newsletter for churches. If you would like to read these articles you may find them at www.barnabasfoundation.com/firstfruits/newsletters or call Laura DeVries at 888-448-3040.

Norm Vander Wel (1/21/1941-1/06/2006)



Norm was the Director of FirstFruits at Barnabas Foundation for the past 11 years and provided excellent leadership and

talent in stewardship ministry. He met with many church leaders, councils and stewardship committees across the country challenging Christians to handle all their gifts in a way that honors God. Barnabas Foundation remains committed to continue to do the work that he loved so much and inspired all of us to do. Norm is survived by his wife, Lois, three sons and one grandchild.