

Bequests

Bequests often enable donors to make a more significant gift than is possible during their lifetime. A bequest also offers a unique way for an individual to make a statement about what he or she considers to be most meaningful. In preparing a will, it is useful to think of taking care of those things that are most important-perhaps children, church and community. The Community Foundation for Muskegon County can help a person take care of his or her community.

The Community Foundation for Muskegon County- -Over 35 Years of Community Leadership

The Community Foundation for Muskegon County (CFMC) is a charitable organization that builds and preserves endowment funds, identifies opportunities to enhance the quality of community life, and responds with grants addressing seven key areas: arts and culture, youth, community development and urban affairs, education, the environment, health, and human services. Formed in 1961, CFMC provides philanthropic leadership to Muskegon, Mason and Oceana Counties.

The foresight of community leaders has helped us to plan for tomorrow by building a permanent, growing endowment that will enable future generations to address changing community needs. Much of the growth experienced by CFMC has come through bequests, the simplest and oldest of all planned gifts.

Attention Attorneys:
Please call the Donor Services Office for language to be used in writing a client's bequest to CFMC that will establish a specific fund

Bequests

A will is simply a legal record of a person's wishes regarding the eventual use of assets accumulated during a lifetime. The instructions regarding the distribution of the assets are called bequests. A will is a very powerful instrument as it gives you the opportunity to:

- Direct to whom and when such distributions are to be made.
- Choose the individual or institution to carry out one's wishes.
- Select a guardian for minor children
- Preserve as much of the estate as possible through the judicious use of tax-saving devices and opportunities.

Without a will, one's estate will be distributed according to state law. It is unlikely that his or her wishes are known by the state legislature.

Distant relatives may share in the estate instead of those individuals and institutions one wants to support. Through a charitable bequest, a gift is made after the property is no longer needed. While a will is a freestanding document, it can also be used to create a variety of other plans that take effect either immediately following death or many years thereafter. The future security of a surviving spouse or others can be assured, because there are so many ways to arrange a bequest. Familiarity with such plans can help a person meet a variety of goals.

Charitable Bequests

As a form of giving, charitable bequests provide flexibility since they may be changed at any time. Bequests can be made in memory of loved ones, which provides a meaningful way to create a memorial that lives on in service to others. Through a bequest to the Community Foundation for Muskegon County, one's will can improve the quality of life for countless people he or she will never meet.

To make a charitable bequest, one simply directs in his or her will that interests in certain money or property be transferred to the designated charity. The estate will be entitled to a charitable deduction for the full, fair market value of the gift.

There are several forms of an outright bequest:

Specific Bequest

A bequest of this type may involve the designation of the precise amount of money or the specific property (e.g., a home, a farm, or shares of stock) that one wants the Community Foundation for Muskegon County to receive.

Residuary Bequest

Through a residuary bequest, the CFMC will receive all (or a portion

of) the estate after all debts, taxes, expenses, and all other bequests have been paid. It may augment a general or specific bequest to the Community Foundation for Muskegon County if the size of the estate allows, or may ensure that other beneficiaries receive their bequests prior to distribution to the Foundation.

Percentage Bequest

One may direct that the Community Foundation for Muskegon County receive a percentage of an estate or residuary estate. Through a percentage bequest, if the size of the estate changes, the bequest will change proportionately.

Contingent Bequest

It is important to provide for the situation in which a beneficiary dies first or disclaims the property. To prepare for such an occurrence, consider naming the Community Foundation for Muskegon County as the contingent beneficiary.

Writing a Bequest

Wills and Trust Agreements should be drafted by an attorney. When including a bequest to the Community Foundation for Muskegon County in one's will, the following language may be used. *This example should be adapted to provide for any special restriction or to define a field of charitable interest.*

By Will- -Direct to CFMC

I give, devise and bequeath to the Community Foundation for Muskegon County, a Michigan nonprofit corporation located in Muskegon, Michigan, the sum of \$(Amount), a percentage (amount), and/or (all the residue) of my estate, both real or personal, to be held, administered, and used by the Board of Trustees to support the work of the Community Foundation for Muskegon County in the area of greatest benefit and opportunity."

(To establish a fund to designate the organization(s) or interest(s) area of your choice. See "Bequests – Suggested Language".)

In many cases, it may be advisable to include the following provision, which qualifies the bequest for both an income tax deduction for the estate, as well as an estate tax deduction.

"The amount payable to the Community Foundation for Muskegon County shall be paid, to the extent possible, out of items of property that would be treated as 'income in respect of decedent,' as that term is defined in the IRS Code."

This provision will qualify the bequest for both an income tax deduction for the estate, as well as an estate tax deduction. (See an attorney or tax advisor for further advice.)

A will often includes bequests to more than one charitable organization. CFMC can be included as one of those charitable bequests. The Foundation is perpetual and can receive bequests for unrestricted or restricted purposes. If the restricted purpose of a bequest becomes obsolete over time, the Board of Trustees of the Foundation is charged with the responsibility of finding a similar organization to benefit from the fund. Thus, including CFMC to receive a bequest provides a hedge against changes in charitable organizations and their missions.