

Foundations!

A wise man builds his house on a stone while the fool builds his on the sand. Most building codes prohibit people from building in the sand, except in California's mudslide alley where they build, get ruined and build again. I'm guessing all of our homes are built with a foundation made of rock, brick, cement or concrete blocks. While most homes in New England are safe from crumbling what is the state of people's financial affairs? The financial foundation of our lives is another issue altogether. The church relies on the participation and benevolence of each member and friend to carry on our mission for each other and the greater good. While most of us have ensured we are financially set, both today and in our future – we need to do the same thing for the church. The price of everything is currently skyrocketing so anything you can do to help is always appreciated. As you contemplate your future financial affairs, have you given any consideration to a financial foundation? A financial foundation is a private foundation can be created and funded for a charity or nonprofit organization of your choice, hopefully our church. The foundation can be funded through income or assets anytime as you choose. You can maintain complete control of what the assets are used for and gain income and estate tax advantages for your benevolent intentions. People often think of Bill Gates or Warren Buffet when they hear the term foundation, but it can be for anyone with charitable intentions, you don't need to be worth billions. There is a small scale alternative to a foundation and it is called a donor advised fund. This fund provides the same tax benefits as a foundation but avoids the costs of establishment and administration associated with a foundation. The donor advised fund also provides professional management of the assets. Another alternative to a foundation is to provide a remainder interest in a farm or property. If you'd like to make a gift of a home or a property to the church after you are done using it this is the tool for you. You get life use of the property, or a certain period, whichever or both suits you best. When you pass the property passes to the church and you get an income tax deduction for the actuarially determined value of the gifted interest. If you happen to have a vacation home or other property they may qualify for a conservation easement. This will allow you to make a tax deductible gift of an interest in the property while retaining personal use of the property. If any of these ideas are of interest to you or you'd like to discuss other charitable giving techniques, please see Mike Chadwick. 😊