



STEWARDSHIP Matters...

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A Widow's Might and Her Power to Give

BY CAROLE B. WOHLER — One who is now “a widow indeed”

The Lord has a special place in His heart for widows. The gospels tell of many instances that demonstrate His promotion, provision, and protection of women—and especially of widows. Of course, the first example that usually comes to mind is the widow who put in two mites, which was the smallest coin. Jesus called His disciples to Him and pointed out that everyone else had given out of their abundance; but this widow, out of her deep need, had given all that she owned. By faith, she was given the power to give all she had.

A similar example is in 1 Kings 17 where the Lord sent Elijah to a certain widow in Zarephath, but not to just any widow for there were many widows in Israel those days. You will recall all that remained in her pantry was a handful of flour and a little oil, yet, she made bread with what she had and gave it to Elijah. God blessed her obedience in that the bowl of flour was not used up and the oil did not run dry. Because of her obedience, she was given the power to give all she had.

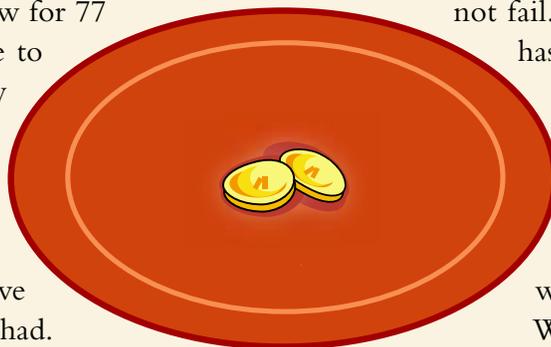
Then there is Anna, a widow for 77 years who had devoted her life to serving God in the temple day and night by fasting and praying. Since she was a prophetess, she undoubtedly taught the younger women. Because of her devotion to God, she gave of her time. She gave what she had.

Scripture does not give us many details about these women. We can only imagine how they felt. We widows know the reality of such deep sorrow. We know how it feels to be emotionally impoverished, especially in those first few months of separation. The pit of despair seems so incredibly dark and deep, and the climb out extraordinarily steep. But, climb out we must for it is not God's will for us to remain there. The way we cope with our sorrow, however, depends on a variety of factors (e.g., age, personality, coping skills, and environment).

The first step is to give Him all that we have—our brokenness. Then, make a commitment to God to work through the grief process—it is the only way out. Through the process of time, prayer, Bible study, and fellowship with believers, God will use us to reach out to others. As a result, light will rise in our darkness and our gloom will become as the midday. The Lord will continually guide us and satisfy our desire in scorched places, and we will become like a spring whose waters do

not fail. In fact, this time in our lives has the potential to be such a “life-defining” time that we will be very grateful for the experience for what we have learned about God Himself and His power to work in and through us.

We may tend to consider these



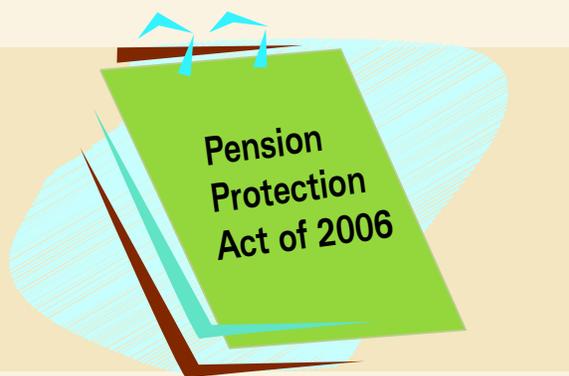
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women to be extraordinary women of God. Yet they were, in fact, just ordinary women whose lives have been recorded for us in Scripture as examples so that through perseverance and encouragement we might have hope. Beloved, the best years are not the ones behind us; but the best is yet to come. We have a living hope that does not disappoint—the

love of God has been poured out within our hearts.

May we walk in a manner worthy of the Lord, pleasing Him in all respects, bearing fruit in every good work, increasing in the knowledge of God and strengthened with all power according to His glorious might to do what He calls us to do—to give of our time, possessions, and resources. 📖

Charitable Tax News You Can Use



On August 17, 2006, President Bush signed into law the Pension Protection Act of 2006 (“PPA”). A law to protect pensions may seem an unlikely vehicle to reform charitable giving rules, but it contains several changes that affect charitable giving. This article discusses a few of these.

“IRA Rollovers” to Public Charities. The change receiving the most attention is one allowing greater use of IRAs for gifts to qualified charities. Requirements for using the provision are:

- ✓ Rollovers may be made only from traditional IRAs and Roth IRAs.
- ✓ Donors must be at least 70½ years old.
- ✓ Gifts may be up to \$100,000 per donor in the years 2006 and 2007.
- ✓ Permissible recipients are public charities; however, rollovers to private foundations, donor advised funds, supporting organizations, or deferred gift plans (like Charitable Remainder Trusts) will not qualify.

Although an IRA rollover provides no charitable income tax deduction, the IRA distribution will not be included in the donor’s taxable income. The result is a tax-neutral transaction that may save taxes for certain taxpayers. In addition, IRA rollovers made by December 31, 2006, will count toward the donor’s required minimum distribution for 2006. The IRA rollover provision may appeal to at least four categories of donors:

- **The Nonitemizing Donor.** Old rules required recognition of an IRA distribution as income, even though a nonitemizing taxpayer did not receive an offsetting charitable deduction. Since an IRA rollover will not count as income, the nonitemizing donor saves taxes by making gifts from an IRA instead of other sources.
- **The Generous Donor.** A donor giving more than 50% of Adjusted Gross Income or who has unused charitable carryovers may benefit from an IRA rollover. This donor may use an IRA rollover to obtain greater tax savings while following his or her usual giving patterns.
- **The Phased-Out Donor.** The itemized deductions of some donors “phase out” due to high income levels or the alternative minimum tax. An IRA rollover allows this donor the full tax benefit of making the deduction by excluding the distribution from income in the first place.

- **Donors in States that Tax Gross**

Income. Some states tax on gross income, effectively denying charitable deductions for state tax purposes. An IRA rollover may help this donor save state income taxes.

- **Tighter Rules for Charitable Deductions.**

Other PPA reforms of interest to most donors pertain to allowable charitable deductions on Form 1040, Schedule A. Some with the widest application are:

- **Tougher Record Keeping.** The PPA disallows deductions for cash, check, or other monetary gifts unless the donor maintains a bank record or a receipt from the donee with the organization name, contribution date, and contribution amount. The PPA eliminates the old rule allowing deductions if the donor kept other written records or a contemporaneous log of contributions; thus, deductions will not be allowed for unsubstantiated weekly Church offerings or amounts dropped into the Salvation Army kettle.

- **Donations of Tangible Personal Property.** Taxpayers donating tangible personal property to a charity generally receive a

deduction equal to the fair market value of donated property. Under the PPA, if the value of such property exceeds \$5,000 and the donee sells or disposes of the property within the same tax year as the donation, the deduction will be limited to the donor's basis in the property. If the disposition occurs after the current tax year but within three years of the donation, the donor must "recapture" (i.e., claim as income) the amount by which the deduction exceeded his or her basis.

- **Higher Standard for Donated Household Goods.** Under the old rules, no special requirements applied to contributions of clothing and household items. The PPA disallows deductions for such items unless they are in "good used condition or better." Nothing in the statute or the committee report provides any guidance on when clothing or household items meet this standard, so it remains to be seen how this will be implemented and enforced.

These are just a few of the changes under the PPA that may affect how you make charitable donations this year and next year. If we can be of assistance in answering any questions you may have, please feel free to contact us. 

The Job of Successor Trustee *Proceed with Diligence*

The trust is an estate planning instrument that can meet a variety of planning needs. An estate plan may include a trust created upon death under a Last Will and Testament (i.e., a testamentary trust) or a trust created by signing a document during life (i.e., a living trust). Either way, someone will be appointed to occupy the role of trustee (for a testamentary trust) or successor trustee (for a living trust). The remainder of this article focuses on the role of a successor trustee under a living trust,

although it generally applies also to the trustee named in a testamentary trust.

The successor trustee will take control of the trust assets after the grantor's death to administer and distribute them according to the terms of the trust instrument. The selection of a successor trustee is important, as the performance of that person will reflect upon the grantor's final legacy of stewardship. Likewise, accepting appointment as a successor trustee should not be taken lightly, since

that person owes a legal duty to act prudently and in the best interests of all beneficiaries.

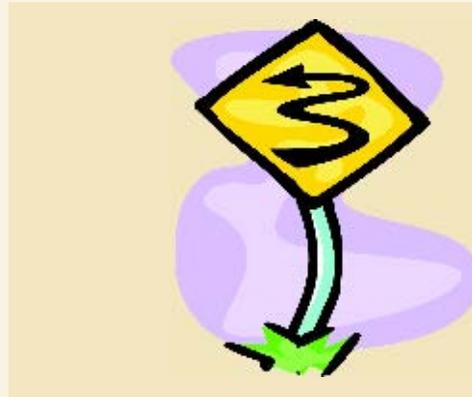
To make a wise selection of a successor trustee, or to make an informed decision to accept the appointment, it is important to understand what the job requires. Whether the successor trustee will be an individual, more than one individual, or an entity qualified to serve as trustee, the successor trustee's duties will basically consist of collecting and preserving the assets of the trust, paying debts and taxes, and distributing the remaining assets as directed by the trust instrument. The major actions of the successor trustee may include the following:

- **Initial Successor Trustee Duties.** The most immediate duties do not require the assistance of an attorney or other advisor. They include logical steps necessary to assert the new trustee's authority and to preserve trust assets in the short term. For example, the successor trustee may need to obtain proof of the grantor's death or disability. The successor trustee also needs to take several initial practical steps, such as notifying the post office, social security administration, the veterans' administration, utility providers, and credit card companies of the grantor's death or disability, and providing them with a forwarding address. The successor trustee will also want to make sure that assets are adequately insured and protected from any harm or waste.

- **Legal or Formal Actions Required.** The successor trustee will have to handle several legal actions following the grantor's death. These actions may include:

- ✓ Obtaining a federal tax ID number for the trust.
- ✓ Preparing an affidavit of successor trustee.
- ✓ Providing legal notice to creditors and settling any claims against the estate.
- ✓ Preparing and filing tax returns, including making necessary tax elections for the trust or the decedent's estate.

- ✓ Compiling an inventory of trust assets and preparing a final report and appropriate receipts and waivers for beneficiaries when the trust is ready for final distribution.



This list is by no means exhaustive. We have a more complete list available upon request to assist you in selecting a successor trustee for your trust or deciding whether to accept appointment as a successor trustee.

Although the list of duties may seem a bit intimidating, it does not need to discourage you from making or accepting an appointment of successor trustee. The successor trustee does not have to be an expert in each of these areas to serve well. Instead, the successor trustee must be someone with good critical thinking skills who also knows when and where to obtain the necessary help. A successful trustee will be a good overseer, not necessarily a micromanager.

Believers Stewardship Services can also help in several ways:

1. We assist believers with their estate planning to help them make wise successor trustee choices.
2. We assist those who have been appointed as successor trustee by offering counsel and guidance as needed.
3. For those who have no other options for a successor trustee, we occasionally agree to fill the role of successor trustee.

If we can be of any assistance to you, please feel free to contact us. 

Is a Living Trust for Me?

Attend one of our seminars, visit our website at www.believestewardship.org, or read our written materials, and you will quickly see that we at Believers Stewardship Services favor using a Revocable Living Trust (“RLT”) for most estate plans. An RLT, however, is not a panacea for all estate planning issues, nor is it appropriate for every estate. This article briefly defines a trust and discusses a couple of factors to consider in choosing between an RLT and a traditional Last Will and Testament (“Will”).

An RLT is an agreement one makes with himself or herself, the primary purpose of which is to avoid probate of his or her estate upon death. The “grantor” (or “settlor”) creates the trust and transfers his or her assets into it, the grantor appoints a “trustee” to manage the trust, and the “beneficiary” will receive income and other benefits from the trust. Normally the person creating the trust occupies all three of those roles.

The decision to use or not use a trust hinges largely on deciding what is the best stewardship choice. One must balance the financial and other costs of using a trust versus not using one, and then determine which makes more sense. Here are just two of the *many* factors to consider:

- **Dollars and Cents.** Most studies on the cost of probate report it as a percentage of an estate’s value. Thus, it stands to reason that the larger one’s estate, the higher the cost to probate it, and the greater the desire to minimize those costs.
- ✓ **Without a Trust.** Studies estimate that probate consumes about 3–8% of an estate—and that is for a simple estate with no contests or other issues. Proper use of an RLT may avoid probate and reduce post-mortem administrative costs considerably.

✓ **With a Trust.** Initially it typically costs more to use an RLT as part of an estate plan versus using just a traditional Will. Creation of an RLT and transferring assets into it requires more time and documentation than simply creating a Will and letting heirs sort through matters after death. The larger upfront cost, however, must be balanced against the amount saved on administration after death. A good steward will determine at what point the net savings are significant enough (e.g., \$3,000, \$15,000, \$30,000, etc.) to justify using an RLT instead of a Will.

• **Time.** In Luke 12:35–40, the Lord Jesus Christ urges believers to live their lives in readiness for His imminent return. The more one really believes an event is imminent, the more ready he or she will be for it to occur. The same principle applies here. As one ages, time becomes a more precious commodity and he or she naturally gives more thought to such end-of-life decisions. Accordingly, passage of time is another factor that leads one to give serious consideration to using an RLT. Since we do not know when our appointed end will be, however, it is prudent to plan for our departure at any minute regardless of our age.

These are just two of many factors that go into determining if an RLT is appropriate for any given estate plan. Space prohibits a more detailed discussion, but additional information is available on our website and in our brochure entitled *Revocable Living Trusts and Christian Stewardship*. We also stand ready to assist you personally with your estate planning needs, including the use of a Revocable Living Trust. 



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NOTICE: The estate planning and financial counseling services of Believers Stewardship Services, Inc. are provided without charge or obligation. Nothing in this publication should be taken or relied upon as legal or investment advice. Such advice should be provided only by competent professionals based upon the specific facts and information involved in each case. For additional information, please contact our office.

OUR MISSION

Believers Stewardship Services is a ministry designed to glorify God by helping Christians accomplish their financial and estate planning goals in fulfilling biblical stewardship.

“Honour the Lord with thy substance, and with the firstfruits of thine increase...”

PROVERBS 3:9 (KJV)

Return Service Requested



Bulletin Board



Bill Gustoff, formerly General Counsel for Believers Stewardship Services, writes:

“I became involved with Believers Stewardship Services because I identified with its mission and thought it filled an important professional niche for the assemblies and their related ministries. Although my location and occupation have changed, my commitment to the goals and mission of BSS remain the same. I know first-hand the dedication with which the staff at BSS approaches their ministry to the saints, and I urge every believer to avail themselves of this important service. In fact, my wife and I are clients of BSS ourselves, which is the best endorsement we can give.”

BSS presented a stewardship seminar at Shannon Hills Bible Chapel (Greensboro, NC) on September 15, 2006. Dave Steenland (an elder in the assembly) writes:



“Believers Stewardship Services provides a much needed service for believers of all ages and income levels. The seminar was structured in such a way as to appeal to everyone in attendance, both those in need of basic biblical principles of stewardship, and those seeking assistance with more complex legal and tax issues. The BSS representative presented the material clearly and made himself available to everyone who wished to speak with him in person. Believers in each of our assemblies would benefit with a seminar of this nature.”