

# LEGACIES

THE EARTH NEEDS A FEW GOOD FRIENDS



## “Accidental Activist” Makes Impact

**T**im Wilson, the son of a chemical engineer in West Virginia, grew up with firsthand knowledge of how fossil fuel companies negatively impact their immediate environment and the communities that surround them. Though unrealized at the time, these experiences led him to be the “accidental activist” he is today.

While at Ohio State University, Tim was struggling with the realization that he was gay. In the late 1960’s, there were few support systems in place for LGBTQ+ communities, and Tim felt isolated. After a career in bank operations, Tim entered the nonprofit world to work with organizations focused on LGBTQ+ equality and HIV/AIDS related causes. Now retired, he is the volunteer program director for an LGBTQ+ program at a spiritual center in Denver.

Long before becoming an LGBTQ+ activist, Tim considered himself an environmental activist. “In hindsight, I wasn’t really active, but rather a modest financial supporter of several conservation organizations. Now I really appreciate the work of Friends of the Earth,” Tim shares.

“FOE is the one organization that really understands the interconnectedness of issues affecting our world, and its work and priorities reflect that understanding. I value how Erich Pica, president of Friends of the Earth, demonstrates that intersectionality in much of his communication,” continues Tim. “Much of my LGBTQ+ volunteer work has involved people of color communities, so that understanding is important as someone who has learned to be aware of privilege.”

*continued on Page 2*

**INSIDE THIS ISSUE** ■ The Ways to Give ■ A Gift that Keeps Giving

Summer 2020

## The Ways to Give

Generous people like you have found many creative ways over the years to increase their support to Friends of the Earth. Here are a few to consider in 2020:

- As a result of the *CARES Act*, **gifts of cash** have special benefits in 2020. For example, an above-the-line deduction of up to \$300 is available for cash gifts to public charities, offering tax savings for taxpayers who don't itemize. Another tax benefit available this year is the usual limit on deductions for cash charitable gifts (up to 60% of AGI) is suspended, meaning taxpayers are allowed to claim unlimited deductions on their 2020 tax returns.
- People are often surprised to learn there are different tax results from giving different types of assets. **Gifts of highly appreciated securities**, for example, may be particularly favorable. If stocks have been owned more than one year, donors can deduct not just their original cost but also any "paper profit" in the shares. Best of all, there are no capital gain taxes due when you give securities. Excess deductions can be carried over for up to five additional years. If you own stock that has dropped below the price you originally paid in the recent market slide, consider selling shares and donating the proceeds. You'll be entitled to a capital loss deduction and also a charitable deduction.
- Some people have **life insurance policies** that are no longer needed for their original purpose. It might be satisfying to rededicate these policies to Friends of the Earth and generate a charitable deduction.
- **Qualified charitable distributions (QCDs)** from IRAs offer a unique opportunity for IRA owners who have reached age 70½ to make a gift to Friends of the Earth and reduce taxable income—even for donors who cannot itemize their deductions. Donors can transfer up to \$100,000 annually, free of tax. QCDs can satisfy part or all of any required minimum distributions, although required distributions are waived for 2020. Contact us if you're planning an IRA gift to ensure that your gift is completed in time and to ensure that we have the opportunity to thank you.

If we can provide you or your advisors more information, please contact Anna Babcock, planned giving manager, at [ababcock@foe.org](mailto:ababcock@foe.org) or (202) 222-0716.

## "Accidental Activist" Makes Impact *continued from Page 1*

Tim has supported FOE for several years, but it was only recently, in 2018, that he organized a fundraising effort in memory of a dear friend, raising \$1,000. Since then, Tim has been inspired to grow his impact.

As someone on a limited income, Tim decided the way to be able to help the most would be to make Friends of the Earth the beneficiary of his 401(k). He found setting up the beneficiary

designation to be easy, and he is confident that this gift will help Friends of the Earth continue its work for years to come.

"To paraphrase a quote from Swiss theologian and Catholic priest, Hans Urs von Balthasar, 'You are a gift from God; what you do with your life is your gift to God.'" Tim says.

Tim believes God will be very happy if we can all succeed in saving our beautiful Earth from our self-destruction.



## A Gift that Keeps Giving

A growing number of people are supporting the long-term needs of Friends of the Earth through endowment gifts.

Read on for answers to frequently asked questions about endowment giving. You may find that endowment gifts can help you provide a solid future for Friends of the Earth.

### Q. What is an endowment gift?

**A.** Unlike current gifts, endowment gifts provide a permanent source of support to a charitable organization instead of being expended immediately. Just as an individual's savings or investments can provide a degree of security, endowments provide charities with a stable source of funding for the future.

### Q. How does an endowment gift work?

**A.** Each year the earnings of the endowment fund are distributed, but the original value of gifts to the endowment fund are never spent.

### Q. What can I use to fund an endowment gift?

**A.** There are many types of assets you can use to make an endowment gift. One of the most popular is a gift of cash. Cash gifts may be designated to an existing endowment or used to establish a new endowment.

### Q. Can I give property rather than cash to complete my endowment gift?

**A.** Yes. Property, such as marketable securities, may also be given for endowment purposes. Such gifts are usually deductible at their full fair market value, regardless of what the donor paid for the asset. A significant tax deduction for the gift is available for the appreciation element that escapes taxation.



### Q. What if I need my cash for current expenses and my securities have decreased in value? Can I still make an endowment gift?

**A.** Yes, there are other ways to make such a gift. For example, an easy and economical way to provide an endowment gift is by donating an existing life insurance policy. Policies no longer needed for their original purpose may be an excellent source for such gifts.

Or, if you are one of the many Americans with qualified retirement plans, you may find that retirement plan assets provide one of the most efficient sources for gifts to endowments.

If you are interested in endowment gift options, contact us or return the enclosed reply card so we can send you more information.

## A Free Gift From Friends of the Earth

We're excited to offer a free gift to help you prepare for the future and ensure your values live on indefinitely! Creating a will is one of the most impactful ways to support the people and causes you love. We've partnered with FreeWill to give you an easy way to write your legally valid will today. Many people also like to include a gift to Friends of the Earth to ensure a healthy planet and people for decades to come.

The service is free whether or not you choose to include Friends of the Earth. You can also use the tools to start your will and document your wishes before visiting an attorney. Visit [www.FreeWill.com/FOE](http://www.FreeWill.com/FOE) to get started today (and you can make changes at any time)!

# Will my will cover everything I own?

It is very important to have a valid and up-to-date will so your wishes for the future distribution of your property are handled as you desire. When you consider your overall preparations, however, don't forget about those assets whose distribution isn't controlled by a will.

**Life insurance.** When you complete the paperwork for a life insurance policy, you choose the beneficiary of that policy. The proceeds from your policy will be paid to the beneficiary recorded on your forms, regardless of the conditions listed in your will. After you have provided for your heirs, this could be a good place to add Friends of the Earth as a beneficiary to receive all or a percentage of these funds.

**Living trusts.** Another popular way to distribute assets is with a "revocable living trust." By naming yourself as the initial trustee of your living trust and then naming a successor trustee to manage the trust if you become unable to do so, your assets are managed during your lifetime and then distributed to your beneficiaries, avoiding probate. It is "revocable" because you retain the right to change the terms of the trust.

**Retirement plans.** Here again, the beneficiaries you list in the original or modified documents will receive any assets from your retirement plans, such as a 401(k) or an IRA. If there are changes in your family or financial situation, it is essential that you review beneficiary designations as well as the other details in your estate plans. And, since retirement plan assets can be heavily taxed if left to heirs, you may want to consider leaving all or a portion of these funds to your charitable interests while leaving other assets to loved ones.

**Donor advised funds.** Donor advised funds (DAFs) are a great way to give. Many people have not given much thought to what will happen to their DAFs in the

future. What have you decided about future disposition/designation? Designating Friends of the Earth to receive a distribution from a terminating DAF or to be a beneficiary of endowment distributions is a great way to make a bequest without affecting other estate plans.

Your will is a valuable tool to support causes that have been important to you and others you care about, but don't forget there are additional vehicles to incorporate in your plans. Adding Friends of the Earth as a secondary or contingent beneficiary is a convenient method to continue your legacy without going through the probate process.

Please contact us or your advisors if you have any questions.

## Considering a bequest?

If you are considering making Friends of the Earth a part of your legacy, please accept our thanks. Here is some suggested wording to share with your attorney:

"After fulfilling all other specific provisions, I give, devise and bequeath \_\_\_\_\_% of the remainder [or \$\_\_\_\_\_] of my estate to Friends of the Earth, a District of Columbia charitable corporation [Tax ID #23-7420660] currently having offices at 1101 15th Street, NW, 11th Floor, Washington, DC 20005."

Have you already made a gift through your estate plans? Please let us know so we can thank you and welcome you to our Shared Earth Society.

The purpose of this publication is solely educational, namely to provide general gift, estate, financial planning and related information. It is not intended as legal, accounting or other professional advice, and you should not rely on it as such. For assistance in planning charitable gifts with tax and other implications, the services of appropriate and qualified advisors should be obtained. Consult an attorney for advice if your plans require revision of a will or other legal document. Consult a tax and/or accounting specialist for advice regarding tax and accounting related matters. © Copyright 2020 by Sharpe Group. All Rights Reserved. NNNPDF-20



**For more information** on ways to include Friends of the Earth in your estate plans, please contact:

**Anna Babcock**  
Planned Giving Manager  
Friends of the Earth  
1101 15th St. NW, 11th Floor  
Washington, DC 20005  
(202) 222-0716 | [ababcock@foe.org](mailto:ababcock@foe.org)

