



Friends Village LEGACY

A Newsletter on Financial, Estate and Gift Planning

Issue 2, Summer 2005

Dear Friends,

Your response to our inaugural issue of Legacy was quite overwhelming. We received many great questions and comments regarding the articles and how you can learn more about Friends Legacy Society. Our hope is that these and future articles in Legacy will help you along your financial journey. And as always, may you find the information provided in this publication helpful as you decide what your legacy will be.



“It was never loving
that emptied the heart,
nor giving that emptied the purse.”
– Edward J. Barger

Not Another Appeal Letter

With roughly one million charities operating in the United States, and most of them seeking contributions, it's no wonder your mailbox bulges with appeal letters. It seems like everybody wants your money!

Sorting through the mail, you find some familiar organizations and some you don't recognize. You wonder, "How did these people get my name?" And to add to the onslaught of mail, your telephone rings more and more often. "Please help us meet our financial crisis!" "We'll have to close the doors if we don't pay our bills." "Children will starve unless you give." "The sky is falling! The sky is falling!" It's downright confusing . . . and irritating.

As you consider the variety and intensity of the financial appeals you receive, we hope you will remember these five things about us here at Friends Village:

We count you as part of our family. Whether you are a recent friend of Friends Village or a longtime supporter, we value your interest and involvement. We consider you a partner with us in this great enterprise. You are part of our family. And together we share a common commitment, a common mission.

We remain true to our mission. As you know, our mission is to provide comprehensive housing and dignified, flexible healthcare for older adults of moderate means. We are dedicated to serving personal and community needs and encouraging active participation in the broader society. We want you to know that we have not veered from this, nor do we intend to. We lay our plans, build our budgets and monitor our results to better achieve this mission. You can have confidence that we are "staying the course."

We depend on your faithful giving. Whether a small annual gift or a larger estate gift, we rely on your financial support to help us accomplish our important mission. The more you give, the more we can do. It's that simple. On the other hand, without you and our other supporters, we could not exist.

We pledge financial fidelity. We wince when we hear of scandals involving non-profit organizations because this casts a shadow over all charities. We want to affirm to you that financial integrity is extremely important to us. We maintain strict accounting and reporting rules. Please know that your contribution to Friends Village is treated carefully and with a keen sense of stewardship.

We offer personalized service. Do you have appreciated stock or real estate that would make a tax-wise gift? Do you need to receive lifetime income as part of your gift to Friends Village? For these and similar questions, our volunteer charitable gift planner, Ana Barnett, is always happy to assist you with whatever you need. Ana will meet with you personally to talk about your giving goals and to show you various options. She will guard your confidences and respect your freedom. She is also available, at your request, to consult with your professional advisors.

As the onslaught of financial appeals comes and your thoughts turn more toward charitable giving, remember Friends Village at Woodstown. Please call Tom Smith, in the Advancement Office, at 856.769.9000 to learn more about gift planning.



“He that would be a leader
must be a bridge.”
- Welsh Proverb

Four Reasons to Advance a Bequest

Our Executive Director and Board of Managers are always encouraged to learn that Friends Village has been named in a will or other estate transfer document. Even to know that a person intends to include Friends Village is uplifting.

Whether your will includes Friends Village or not, we want you to know some of the advantages of proceeding with your bequest and giving all or part of it now. In particular, please consider some of the current benefits of a Friends Village charitable gift annuity:

Reason 1: Increase your income now.

One of the more important benefits of a gift annuity is the attractive rates we are able to offer, especially for our older donors. For example, an 80-year-old person qualifies for an annuity rate of 8 percent. Thus, establishing an annuity with \$100,000 would provide \$8,000 every year for the duration of life. A 90-year-old annuitant would fare even better with a rate of 11.3 percent.

While a person may be able to obtain a higher rate with a commercial annuity, it's important to remember that we're talking here about money that has already been "earmarked" for Friends Village as a bequest.

Reason 2: Reduce your taxes now.

The IRS provides a charitable income tax deduction for gifts made to Friends Village during life. For itemizers, this deduction may be used to reduce income taxes. And fewer taxes mean more money for you to spend . . . or give.

Since a portion of a Friends Village gift annuity qualifies for a charitable income tax deduction, making that gift now with assets you already plan to give later may be a tax-wise idea worth considering.

Reason 3: Stabilize your retirement now.

Gift annuity payments are fixed. Once the payment dates are established (monthly, quarterly, semi-annually or annually) you will receive the identical amount with every check. No need to guess or worry about the ups and downs of the financial markets.

While we would not begin to suggest that people should place all of their assets into a Friends Village gift annuity, we do think a gift annuity can help our donors diversify and stabilize their retirement income.

Reason 4: Enjoy your giving now.

When you establish a gift annuity, you will experience the satisfaction of completing a gift now by actually transferring assets to Friends Village. Furthermore, you will give us the opportunity while you live to express our gratitude and to include you in our Friends Legacy Society. Why miss out on the "joy of giving"? Give while you live.

SUGGESTED BEQUEST LANGUAGE

"I give, devise, and bequeath to Friends Home at Woodstown, Inc., a tax-exempt organization located at One Friends Drive, Woodstown, New Jersey 08098, (state percentage of estate or sum of money, or otherwise describe property) to be used for its general (or state specific) purposes."



The important thing about your lot in life

is whether you use it for building or parking.

- Amber Lynn Dessaigne

Stock Talk

Like many adults, Mr. Wiseman owns stock. In addition to his professionally managed retirement accounts, he has a separate investment account at a discount brokerage firm. This account includes a variety of mutual funds and individual stocks.

Periodically, Mr. Wiseman reviews his portfolio to see which securities are increasing in value and which ones are declining. Some of his holdings have appreciated nicely over the years.

Being charitably minded towards Friends Village, Mr. Wiseman will occasionally arrange to transfer some of his more highly appreciated stocks to Friends Village's account. Friends Village then liquidates the stock and uses the cash for its tax-exempt purposes. Because Friends Village is a qualified 501(c) 3 organization, we are not required to pay capital gains tax on the sale of the appreciated stock.

Were Mr. Wiseman to sell the stock and give Friends Village the cash, he would incur capital gains tax on the amount of appreciation and thus reduce the cash value of the stock. His gift would actually cost him more than the value of his cash gift. Except when a stock has depreciated, it is usually prudent to give the stock to Friends Village and let us sell it.

In making his stock gift to

Friends Village, Mr. Wiseman receives an income tax charitable deduction for the full value of his gift to Friends Village, which he can apply against 30 percent of his adjusted gross income.

Being the creative fellow he is, Mr. Wiseman sells some additional shares of the same stock he gave to Friends Village—a stock he believes will continue to appreciate over time. While he incurs capital gains tax on this transaction, he offsets this tax with the charitable income tax deduction he obtained from the gift of the earlier shares.

He then turns around and repurchases the stock he just sold obtaining a new, and higher, cost basis. Thus when he wants to sell the stock later, after it has further appreciated, he will not have as much capital gains tax to pay.

Mr. Wiseman's creative gift planning not only helps Friends Village, it provides significant tax benefits as well.

Giving shares of stock to Friends Village is really quite easy. It can be done with a letter to your brokerage firm, instructing them to transfer or "journal" so many shares of publicly traded stock to Friends Village's account. If we do not have an account at your brokerage house, we can quickly establish one temporarily to receive and sell the stock.



Don't Do This With Your Will

Your will is one of the most important documents you will ever sign. There are certain things to avoid in order to do it right. Here are five of the more critical "don'ts" to consider:

1. Don't put it off until later.

The worst thing you can do in creating a will is to procrastinate. You can keep waiting for a more convenient time, but the years have a way of slipping by. A will delayed is a will not done. Now is the time – while you are able – to do your will. For your sake, and the sake of your loved ones, do your will now.

2. Don't do it by yourself.

Saving a few bucks by writing your own will, or using a mass-produced generic form, will not provide the level of inner peace and confidence you and your family deserve. Nothing can replace the benefits of a face-to-face meeting with a good estate-planning attorney who asks the right questions and who knows how to draft a will that meets the specific requirements of your state of residence. Seek out a qualified attorney and have your estate plans done right.

3. Don't rely on it solely.

Your will needs to be considered along with other transfer documents, such as life insurance policies, joint-ownership accounts and retirement accounts. Other estate-planning documents might include: power of attorney; appropriate health care provisions; and a living will. Again, a good attorney can help you coordinate your planning and provide added assurance that everything you need is prepared legally and according to your wishes.

4. Don't put it away and forget about it.

Things change. Children grow up. New laws are passed affecting estate planning. New developments occur regarding health issues and financial resources. An outdated will could create more problems than it solves. It's a good idea to get out your will every year and review it. Make sure it does what you want. Keep your will current.

5. Don't put it where no one can find it.

A will is worthless unless it can be located and duly recorded at your death. Yet nearly every day someone dies with a "lost" will. Be sure to put it in a safe place, but also let someone else know where it is. Tell one or more loved ones or a trusted friend. A little foresight like this can spare your family added stress during their time of grief.

We at Friends Village want you and your loved ones to be protected with a good, up-to-date estate plan. If you need help in finding a qualified attorney in your area, we will assist you in any way we can. We also want to remind you that an estate gift to Friends Village can make a positive statement to your family and friends regarding your priorities . . . as well as make a tremendous difference in our future work. Thank you for remembering Friends Village as you plan or update your will.



NON PROFIT ORG.
U.S. POSTAGE
PAID
PERMIT NO. 120
WOODSTOWN, NJ

Return Service Requested

Office of Advancement
One Friends Drive
Woodstown, NJ 08098

Phone: 856.769.9000 or email: fhfuture@fhaw.org

When you file your return...

A gift of:	Will actually cost you:	Will save you:
\$1000	\$ 720	\$280
\$1,500	\$1,080	\$420
\$2,000	\$1,440	\$560
\$2,500	\$1,800	\$700
\$5,000	\$3,600	\$1,400
\$10,000	\$7,200	\$2,800

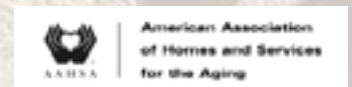
Note: Figures assume a 28% marginal tax bracket

FIVE WEBSITES THAT CAN ANSWER YOUR QUESTIONS ABOUT PLANNED GIVING

- www.pgresources.com
- www.acga-web.org
- www.nonprofits.org
- www.deathandtaxes.com
- www.premieradministration.com/glossary.htm



Legacy is written and edited by Tom Smith, Director of Advancement for Friends Village at Woodstown. If you would like further information on any topics discussed in this newsletter or on making a gift to Friends Village, please contact Tom at 856.769.9000 or send an e-mail to fhfuture@fhaw.org.



All Levels of Care to Meet Your Needs- Now and in the Future

Friends Village at Woodstown offers a wide variety of retirement living options in a beautiful and conveniently situated country setting, including independent living, assisted living, residential healthcare, and skilled nursing care.

Friends Village at Woodstown has a unique spirit, which is its legacy of over 100 years of service to the community, founded as an organization dedicated to a better way of life for seniors.

Friends Village at Woodstown, a not-for-profit organization, is governed in accordance with principles of the Religious Society of Friends, known as Quakers. This heritage embraces standards and practices emphasizing respect for the individual, excellence in service, social responsibility, and fiscal integrity.

We welcome your interest in our community and look forward to the opportunity to be of service to you.



PLACE
FIRST-CLASS
POSTAGE
HERE

Something Good Just Got Better

Friends Village at Woodstown
Office of Advancement
One Friends Drive
Woodstown, NJ 08098

Mark Your Calendar!

To Benefit Friends Village Building Fund

4th
Annual
Golf Outing
Friday, October 14, 2005

For more information, call 856.769.9000
or visit our website www.friendsvillage.org

Gifts of Real Estate

A charitable gift of real estate can be especially tax-advantageous. A personal residence, vacation home, farm, commercial and rental property can all be used to make gifts. Like gifts of long-term appreciated securities, gifts of real estate can be very attractive because of the double tax benefit—an immediate charitable deduction and the avoidance of capital-gain tax. *Note: If you sell your primary residence, in most cases there is no capital-gain tax on the first \$500,000 of gain for married couples (\$250,000 for singles).*

However, family considerations do not always permit the making of an outright gift. Instead, you might want to consider a gift of a remainder interest in your home, vacation home, or farm. Even though you retain the right to continue to possess and enjoy the property for as long as you (and your spouse) live, you will qualify for a current income-tax deduction for the present value of our remainder interest.

PLEASE DETACH AND RETURN

We'd Like to Hear from You

We invite you to call the Office of Advancement at 856.769.9000 or return this reply card for information on gift planning.

We would be happy to meet with you and/or your financial advisor about a gift to Friends Village. All discussions are confidential.



Please send me a complimentary copy of your new booklet(s):

- Givers Guide to Federal Taxes
- Ways To Give
- Charitable Solutions to Investment Dilemmas
- Planning For a Secure Retirement
- Planning for Post-Retirement Years
- How To Realize Maximum Benefits from Your Realestate
- The Charitable Gift Innuity: Guanteed Payments for Life
- Planning Your Will: Insights and Options

I/we have included Friends Village in our will or trust. You may list me/us in the Friends Legacy Society as:

- Anonymous by name as _____

Name: _____

PLEASE PRINT

Address: _____

City/State/Zip Code: _____

Home Phone: _____

Business Phone: _____

E-Mail Address: _____

(Please fold and tape closed before mailing.)