



Free Will Baptist Foundation

# Appreciating Dreams

Mary's Decision  
Joseph Knew Money  
Management  
Build Your Wealth  
or Bigger Banks?  
**NEVER TOO LATE?**

## From the Director

As the planned giving arm of Free Will Baptists, the Free Will Baptist Foundation helps families discover the importance of leaving a legacy for the next generation. Our people are generous and they want to see the ministries of our denomination succeed until Jesus returns. The Foundation can show you a number of ways to participate in making the future brighter and helping ministries fulfill the great commission.

Rapidly growing assets show that our people have caught the vision of giving beyond their lifetime by supporting ministries long after they have gone to their eternal reward. Many see the need to perpetually support our colleges with scholarships and endowments. Others see the need to provide support for our mission agencies so that funding will be available as we open new states and new fields for Christ.

Perhaps you may not be aware that you can provide future support for ministries while at the same time providing income to your family. Investing in today's economy can be frightening. The Foundation's professional management provides benefits to your family as well as Free Will Baptist ministries of your choice. The Free Will Baptist Estate Plan Ministry allows, at a discount, Free Will Baptist families to acquire all the estate planning documents they need through a local attorney. Many are choosing to leave a bequest to our ministry upon their death. Our track record speaks for itself. I invite you to explore the many ways the Foundation can minister to you and our denomination. Please contact us to discuss a financial legacy for you and your family.

David L. Brown, Director



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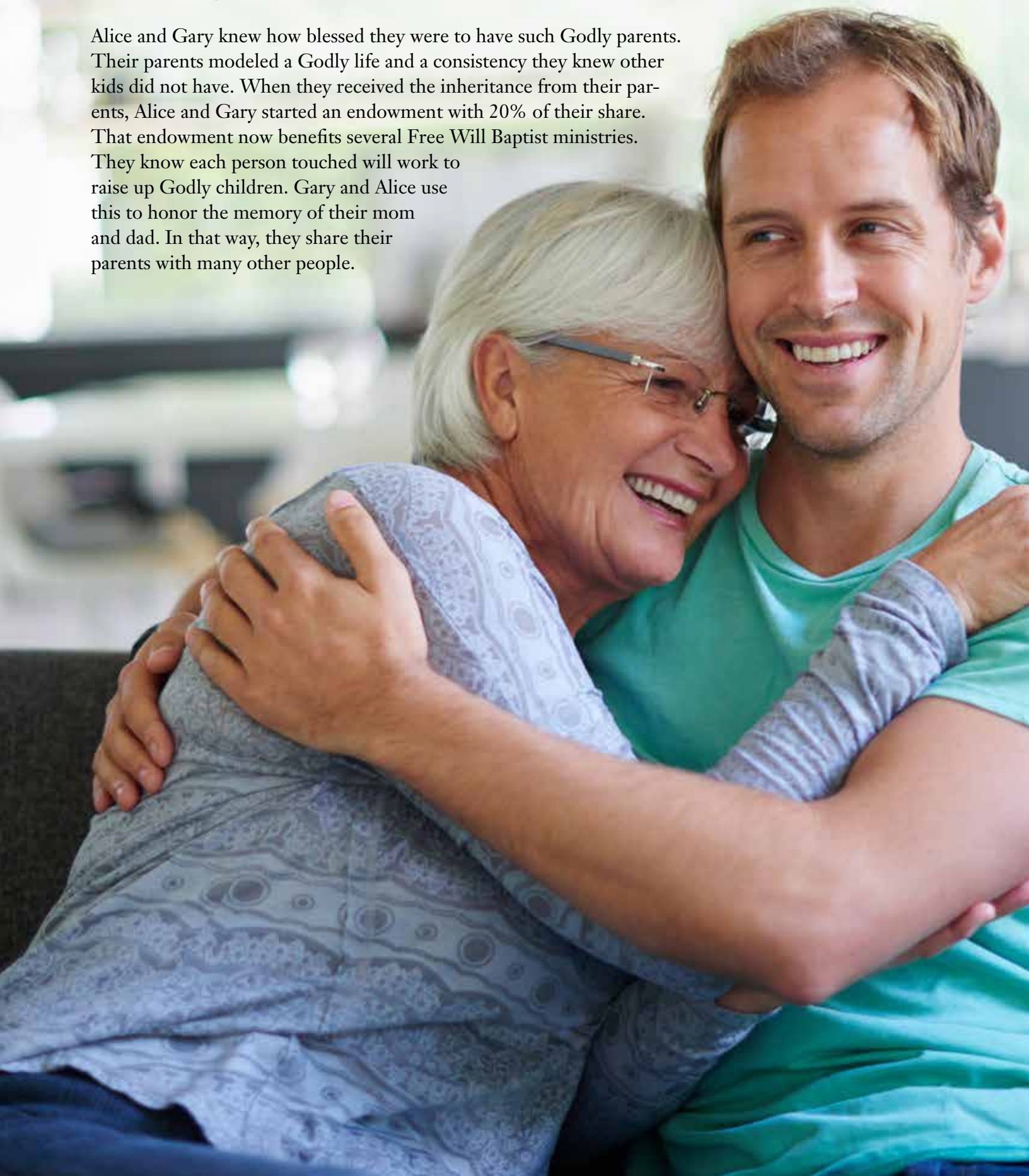
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## Thanks, Mom and Dad.

Alice and Gary knew how blessed they were to have such Godly parents. Their parents modeled a Godly life and a consistency they knew other kids did not have. When they received the inheritance from their parents, Alice and Gary started an endowment with 20% of their share. That endowment now benefits several Free Will Baptist ministries. They know each person touched will work to raise up Godly children. Gary and Alice use this to honor the memory of their mom and dad. In that way, they share their parents with many other people.





## THE FIRST PLANNED GIFT

In 1843, a Boston merchant name Joseph Keith approached the American Bible Society with a proposal. He would give them \$500 (a great sum in that day) in return for an annual payment of \$30, or 6%, paid to him for life. The American Bible Society would keep his money after his death. Planned giving began as a way to raise funds for charities and ministries while also providing income for yourself or someone you love. The American Bible Society deliberated a while before they agreed. The treasurer reasoned that they would be able to invest the \$500 in such a way to pay the annuity, and ultimately, upon Keith's death they would be able to use the original funds for ministry. Thus the first gift annuity was established, and charitable organizations continue to benefit greatly from these arrangements today.

## EXPLAINING THE ENDOWMENT

In ancient Israel, the farmland God distributed among the Hebrew tribes was never sold. But in times of deepest poverty, a family could give up the land under a long term "lease." Under this law, the "purchaser" bought the use and the fruit of the land, not the land itself. During Jubilee, all lands were restored to the original family owners. The mandate from God was, "Use the land, but do not consume it."

Like the land of ancient Israel, endowment gifts are preserved so that the principal is never consumed. The earnings become a modern day harvest to support a variety of Free Will Baptist ministries while the original gift remains in place perpetually earning income.

Extraordinary describes the gift of an endowment. Let's compare an endowment to a typical gift. A typical gift is a one-time outright transfer of funds in which the benefit is immediate. For example, when a church member places a gift of \$100 in the weekly offering, the gift benefits the ministry once.

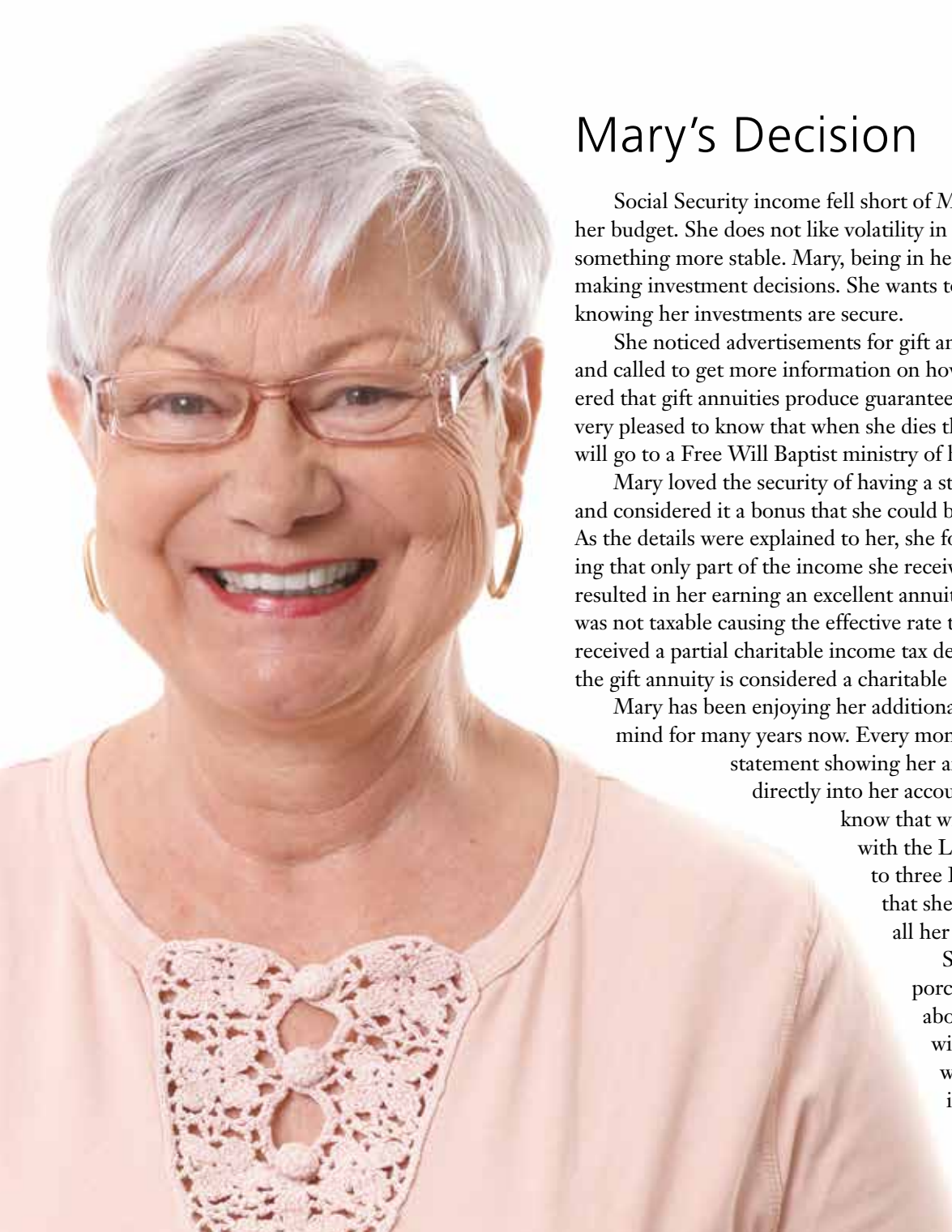
A \$1,000 endowment given in 1935 would have provided over \$14,000 to denominational ministries; and the original \$1,000 principal would have grown to more than \$11,000. Endowments keep giving on your behalf.

Endowments made during your lifetime are deductible as a charitable income tax deduction. Endowments may also be funded through an estate gift, so that after death you continue giving to Free Will Baptist ministries.

Endowments perpetuate your support of the Lord's work. After your death, the ministries you have loved and supported will miss both your prayers and your gifts. By funding an endowment you can make your gifts perpetual.

The Foundation creates new endowments for people like you who want to help any Free Will Baptist ministry. Your endowment can be designed to benefit several ministries, or a special one of your choice.

Whatever ministry you choose, remember the intent is for us to use the assets God provides, while not consuming them.



## Mary's Decision

Social Security income fell short of Mary's needed income for her budget. She does not like volatility in the stock market and wants something more stable. Mary, being in her 70's, is not comfortable making investment decisions. She wants to sleep well at night knowing her investments are secure.

She noticed advertisements for gift annuities in *ONE Magazine* and called to get more information on how they work. She discovered that gift annuities produce guaranteed fixed income and was very pleased to know that when she dies the remainder of the annuity will go to a Free Will Baptist ministry of her choice.

Mary loved the security of having a steady guaranteed income and considered it a bonus that she could benefit a ministry as well. As the details were explained to her, she found another bonus revealing that only part of the income she receives would be taxable. This resulted in her earning an excellent annuity rate because a portion was not taxable causing the effective rate to be even higher. She also received a partial charitable income tax deduction since a portion of the gift annuity is considered a charitable gift to ministry.

Mary has been enjoying her additional income and peace of mind for many years now. Every month she receives her bank statement showing her annuity has been deposited directly into her account. She is also pleased to know that when she goes home to be with the Lord, the remainder will go to three Free Will Baptist ministries that she has loved and supported all her life.

Sometimes she sits on her porch rocking and thinking about the fact that while she will be enjoying heaven she will also still be supporting ministries here in this world, and this double bonus makes her smile.

# Annuity Rates

{ SINGLE TABLE }		{ JOINT TABLE }	
Age	Rate	Age	Rate
65	4.7%	65/66	4.2%
70	5.1%	70/70	4.6%
75	5.8%	75/75	5.0%
80	6.8%	80/80	5.7%
85	7.8%	85/85	6.7%
90	9.0%	90/90	8.2%



# THE FREE WILL BAPTIST ESTATE PLAN

While no one wants to think about dying, it is crucial to be prepared.

In 2013, the Foundation began a partnership with Cornerstone Estate Planning. Through this partnership we can now offer a comprehensive estate plan for all Free Will Baptist families. We work with local attorneys to provide all the documents a family will ever need. The centerpiece of the plan is a revocable living trust that will enable a family to avoid probate and the loss of 5-7% of their assets in the process. However, the plan also includes all medical directives, power of attorney documents and guardianship papers. These documents provide families with peace of mind in that even if they should become incapacitated, the family, not the courts, will take care of their needs.

One of the weaknesses of estate plans is that they need to be reviewed periodically. As a part of the Free Will Baptist Estate Plan we will call every year to make sure the plan stays up to date and assist you if any changes need to be made. We will also send a representative from the Foundation to be with the surviving spouse when death comes. We will come back to be with the family when both spouses have died to assist your heirs and make sure your wishes are honored. Through the Free Will Baptist Estate plan the Foundation will be with you every step of the way.

## Never Too Late to Keep Going...

Louis became a Christian late in life and he realized that he missed the opportunity to impact the kingdom earlier in his life. His faith sustained him when his wife preceded him in death. They were not blessed with children; yet he loved young people and wanted to do something to impact their lives.

The Lord blessed him financially and he wanted to show his newly found love for God through his finances. Louis established an endowment where the interest produced provides scholarships for ministerial students at Welch College. He helped keep missionaries on the field as his endowment also benefited both Home and International Missions. Louis also remembered two of the local churches he had attended.

Establishing this endowment during his lifetime Louis was able to enjoy seeing how it benefited ministerial students, missionaries, and churches. In his estate documents, Louis decided to leave his entire estate to this endowment. Louis may not have lived his whole life for Christ, but he arranged it so that his entire estate would perpetually bless young people and those needing Christ around the world. Endowments outlive your lifetime. You can give many lifetimes of help as your money keeps going.



## Joseph Knew Money Management

Leaders of Free Will Baptist state and district associations have discovered Money Management Trusts (MMTs) offered by the Free Will Baptist Foundation. In the Old Testament, Joseph understood the value of saving a little extra for a future reserve. His wisdom provided stability and survivability for the whole nation. When food was nowhere to be found, Joseph had silos of grain ready to save the masses from starvation. Do what Joseph did and invest for future needs.

MMTs work similar to a CD but with fewer restrictions and typically with greater interest rates. Associations in several of our states have used MMTs. One funded the trust through a gift they received from a church that found themselves no longer able to function. The members sold their property and turned the proceeds over to the State work to be used for loans or as gifts to home mission churches. This is wisely storing up for the future and you have full access to it.

Some state associations have accumulated reserve funds. The earnings are used to support the state office, youth camps and other ministries. In another state, their home mission board uses earnings from trusts to help support their home missionaries. Investing for future needs in a Money Management Trust (MMT) may not get you a seat next to Pharaoh but those who read the financial reports will consider you wise.



## Build Your Wealth or Bigger Banks?

Money Management Trusts (MMT) serve as a resource for investing reserve or surplus funds. The convenience of MMTs offer a great way to build up an emergency fund for those unexpected and unplanned events. Whether a church, a ministry, or an individual, the Foundation offers a means of saving for building funds, long range projects, or whatever your goals.

MMTs through Free Will Baptist Foundation offer several advantages over CDs. Once a MMT is established, additional funds may be added at anytime. The funds are not locked for a specific period of time, making them available for the unexpected. Funds may be withdrawn at any time without penalty. No monthly or annual fees will be applied to reduce earnings. The Foundation wisely invests MMT funds. Historically, the Foundation has offered competitive, and in most cases, higher yields than most CDs or money market accounts.

Starting a Money Management Trust is easy. An account can be opened with a minimum of \$1,000. Multiple accounts can be created if needed. Completion of a short application for an individual or an organization will start you building for the future.

You can see why many choose to let their investments grow with higher than typical rates offered by the banks. Banks use your money to build their own fortunes and erect buildings with their names on the side. Keep your wealth and let it grow faster by investing more wisely.

**Better Together.** First FWB Church was dissatisfied with the earnings received in the church savings account. They had placed their excess funds in a CD but found that they had to pay penalties if they needed to withdraw the funds before the CD matured. At a state meeting, the pastor heard about Money Management Trusts (MMTs) for organizations and churches, offered by the Free Will Baptist Foundation. He took the information about the MMTs back to his board and shared that the church can place any amount they wish with the Foundation and withdraw up to \$50,000 on seven days notice. The board liked the concept of MMTs because of greater returns and fewer restrictions. The Church decided this was the place for their savings. They now withdraw their earnings every six months to benefit their normal operating budget. They also have the money available for future projects while it earns a competitive rate of return. The pastor and board wonder why they had not made this move years earlier.



## Aging Walter & Rebecca Add Another Child

Walter and Rebecca have been members of their Free Will Baptist Church since their early decisions to follow Christ. Through the years they faithfully supported their church through their tithes, offerings and special gifts. They likewise gave regularly to other Free Will Baptist ministries. They believe in what their denomination stands for and hope to benefit these ministries upon their deaths.

In 1993, they decided to put \$20,000 into a Money Management Trust, making three Free Will Baptist ministries 20% beneficiary of the residual in the account at their deaths. The \$20,000 would be available to them in the event of an emergency.

Walter passed away in 2006 and Rebecca followed in 2008. While they drew a great return off of their investment, they never needed the principle of the \$20,000. Walter and Rebecca left a gift of over \$4,000 to three ministries with the remainder going to their children. With that portion of the gift it was as though they added another child as their beneficiary.





## Businessman Fixes His Income...and a Tax Problem

Having become a Christian as a child, George loved the Lord. He had a sharp business mind and he put it to good use. George liked investing in real estate as he began early buying mostly rental houses and commercial properties.

The Lord blessed George as he approached retirement. He was amazed at how much he owned. He could repair just about any problem that arose. But as he got older, he found it difficult to crawl under a house to fix a plumbing problem or take care of other repairs. He knew the day was coming when he would not be able to continue the upkeep himself. Getting older, he also grew weary of the headaches of collecting rent.

George seriously considered selling all his properties and reinvesting the proceeds to support his wife and himself. He discovered there was a big problem with that idea. He faced a huge tax bill because of capital gains. To save taxes through the years he had

used depreciation as an expense and now his basis in the properties was very small. Plus over the last 30-40 years the properties had appreciated in value. Selling would trigger capital gains taxes and he stood to lose around 20% of his investment.

While reading *ONE Magazine* George discovered that by putting his investment into a Unitrust he could bypass those capital gains taxes. He was intrigued and requested more information. The Foundation Director visited with him and explained that investing in a Unitrust would pay income for his lifetime with the remainder of the trust going to the ministry of his choice at his death. George, still a businessman, loved that he would also receive a large charitable income tax deduction and avoid paying those hated capital gains taxes. He saw the design of the Unitrust is to provide potential growth so that his income is shielded from inflation. He still avoided capital gains taxes and invested 100% instead of 80%.

# A Summary of { 3 INSTRUMENTS }



## MMT

*Savings*

Money Management Trusts (MMT) are savings-type accounts designed to help ministries and individuals manage money. The funds deposited are invested safely and wisely. The interest rates on MMTs historically exceed typical money market and short-term CD rates and offer easy access with a typical seven-day notice needed to withdraw funds without penalty. Churches and other ministries use MMTs to save for long-term projects. Individuals use them for emergency funds or savings accounts. Individuals are required to name a Free Will Baptist ministry as beneficiary for 20% of the trust value, as a provisional gift to ministry should owners pass away while the trust is in effect. You always have access to 100% of your money for as long as you live.



## PLANNED GIFTS

*Income and Giving that  
avoids capital gains*

Planned gifts allow individuals to receive a lifetime income, a partial charitable income tax deduction, and a ministry receives the remainder upon their death. Planned gifts offer other advantages such as avoiding capital gains taxes, partially tax free income, professionally managed investing that can be tax advantaged income, and in some cases protection against inflation. Gift annuities (a popular type of planned gift) can be arranged for as little as \$5,000 and are available as a deferred payment annuity. Annuities offer very good interest rates that are even higher for more senior adults. Charitable remainder trusts (another type of planned gift) generally require an asset in excess of \$100,000 and can be customized to fit the needs of your family.



## ENDOWMENTS

*Making a long-term  
difference*

Endowments are permanent gifts where the principal remains invested perpetually, and only the earnings are dispersed to provide income for selected Free Will Baptist ministries. The investment policy of the Foundation dictates that 5% of the value of the endowment is distributed annually, and all earnings above that rate are kept in the endowment to grow the income. This policy makes it possible for ministries to receive income during difficult economic times as these reserves can be distributed. Many individuals like the idea of endowing a gift perpetually by placing a portion of their estate in an endowment producing the same amount they were giving during their lifetime. The gifts made during your lifetime to establish an endowment are fully deductible as charitable gifts.

# Leaving Big Tracks!

With each passing year, the Foundation has broader impact on Free Will Baptists.

- + Assets of over **\$70 million** and increasing by **\$5 million** each year.
- + Over **1,400 families** have end-of-life documents in place through the Free Will Baptist Estate Plan, with more than **400 families** taking advantage of this opportunity annually.
- + Endowments produce **more than \$400,000** in yearly ministry income.
- + Ministries and individuals annually receive more than **\$1.6 million** in interest income through the Money Management Trust (MMT) program.
- + Hundreds of churches, organizations, and individuals enjoy interest **rates of 2.75% or greater** on their investments.
- + Over **\$500,000 in grants** are awarded annually to Free Will Baptist ministries, beginning in 2017.
- + The immediate impact of the Foundation on Free Will Baptists is **\$2.5 million** annually, with future planned gifts of **over \$14 million**.

**We can hardly wait to see where  
God takes us next.**

FREE WILL BAPTIST  
FOUNDATION 

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