

## **JRC Legacy Giving FAQs**

### **What is an endowment?**

An endowment is a fund in which only the income generated is used to support the annual operating budget and/or special initiatives. As long as the endowment fund remains intact, the income each year can offset annual operating expenses or any other purpose the organization deems necessary, making the nonprofit more sustainable. The endowment becomes an added revenue stream for the nonprofit. In other words, endowments are like an organization's savings account, while our annual fundraisers (Circle of Chai, Phone-a-thon, Gala) are like a checking account.

### **JRC's Endowment - The JRC Foundation**

The JRC Foundation was established in 1987 to manage JRC's endowment fund and to insure JRC's future. The JRC Foundation exists solely to benefit JRC and the income the fund generates from its corpus is directed to the annual operating budget and other special initiatives. Since its inception it has provided over \$1.1 million in grant funding to the congregation, beyond its use in holding donations and paying off our mortgage for our Capital Campaigns. It currently has just under \$750,000 in principal, the majority of which is covered under a Spending Policy. This Spending Policy provides that grants will be determined on a base equal to the 3 year moving average of the fund's value on which a rate equal to the CPI Index for the last year is applied, subject to a floor of 3.5% and a ceiling of 6%. The precise rate is determined by the Foundation Board. For the last five years this grant has been around \$30,000, which provides funding for the congregation's operating budget. The Foundation also holds the Congregation's Building Reserve fund which is not included in the Spending Policy but is rather payable on demand from JRC's Treasurer. The JRC Foundation is managed by a board which is composed of leaders of the JRC Board (President, President Elect/Immediate Past President, and Treasurer) and two JRC Board-appointed members- in-good-standing that for the last many years have also been the Foundation's financial advisors.

### **What is endowment giving?**

Endowment giving, sometimes referred to as planned or legacy giving, is a way for philanthropic individuals to support nonprofits during their lives and after their passing. Endowment giving strengthens our community, creating financial stability for generations to come. Whether you use cash, appreciated securities or stock, real estate, life insurance, a retirement plan, a donor advised fund or another giving vehicle, the benefits of making an endowment gift can be attractive to both you and JRC.

### **Why make an endowment gift?**

Individuals give for a variety of reasons: a commitment to being Jewish, to make a difference, to feel connected with others, to live up to Jewish values, to honor loved ones, and many more. Endowment gifts build critical resources for the future by helping to ensure that vital programs

and services supported by JRC will continue for generations to come. As we enter our 60<sup>th</sup> year as a congregation, and welcome back children who grew up at JRC return to raise their own children in our community, like our own Rabbi Rachel Weiss, we seek to continue to grow our legacy endowment in support of those future generations.

### **How will the endowment support JRC's work?**

With your gift you can help ensure that JRC continues to be a vibrant congregation infused with joyful spirituality, intellectual curiosity, inclusivity, and deep commitment to social justice that are core to Reconstructionist Judaism. The heart of JRC is our diverse group of members, who find connection and meaning in our rituals, services, vast Jewish learning experiences, social justice engagement, and community events. JRC's offerings are based on the Reconstructionist belief that Judaism is the evolving religious civilization of the Jewish people, and such a civilization contains ritual, music, text, art, history, sociology, food, literature, politics, and most importantly, Jewish Community. Your gift can ensure that JRC's offerings continue to make Jewish practice accessible, hands-on, and relevant for everyone in our community, along with supporting upkeep of our LEED Platinum-Certified building long into the future.

### **What is *Create a Jewish Legacy*?**

*Create a Jewish Legacy* is an endowment building consulting program from JUF offering free training and coaching, as well as incentive grants to help Jewish organizations have a stronger future. JRC is participating in *Create a Jewish Legacy* to bolster our own endowment and ensure our programs and services are available for generations to come. Since its inception in 2014, JUF's *Create a Jewish Legacy* program has helped almost 50 Jewish organizations across Chicagoland raise over \$63 million in legacy commitments.

### **How can I make a planned gift?**

There are many ways to make a planned gift, and all leave a lasting legacy. The below list describes many, but not all, ways to give. We recommend consulting with a financial advisor or attorney to determine your best options.

- Cash
  - How to give: Write a check or make a credit card payment.
  - Benefits: Immediate tax deduction for full value of gift; removes taxable assets from your estate; delivers immediate benefits to JRC.
- Appreciated, Marketable Securities
  - How to give: Give gifts of appreciated securities held more than one year.
  - Benefits: Bypasses capital gains tax; provides tax deduction for the fair market value of securities; removes taxable assets from estate; delivers immediate benefits to JRC.



- Gift in Will or Trust
  - How to give: Make a bequest gift of a specific property, a specific dollar amount, or a percentage of your estate and/or designated asset. If you already have a will, an attorney can write a codicil to include the bequest.
  - Benefits: Simple to create; estate receives a charitable tax deduction for the bequest; retain control of assets during your lifetime.
- Life Insurance
  - How to give: Donate a new policy or transfer an existing policy during your lifetime and name JRC as the policy's irrevocable owner and beneficiary. You can also name JRC as beneficiary of a life insurance policy. Proceeds will fund your legacy gift to JRC after your lifetime.
  - Benefits: May provide an income tax deduction for the value of the policy and any future gifts made to JRC to maintain the policy.
- IRA Qualified Charitable Distributions (QCDs)
  - How to give: If you're 70 ½ and older, you can make Qualified Charitable Distributions (QCDs) in lieu of a Required Minimum Distribution (up to \$100,000 a year, adjusted subject to inflation). Making a QCD reduces your taxable income by that amount but does count towards meeting an RMD, though there is no charitable deduction. Contact plan administrator to make a gift from your IRA.
  - Benefits: Reduces taxes from your IRA to JRC and satisfies their required minimum distribution for the year.
- 401(k) or IRA Retirement Plan
  - How to give: Name JRC as a beneficiary and specify a percentage or the entire account.
  - Benefits: Gifts of IRAs and other retirement accounts allow you to make a gift to JRC while saving on estate and income taxes.
- Charitable Gift Annuity
  - How to give: Established with a simple contract between you and JRC. Transfer assets of cash or marketable securities to JRC and in exchange, JRC promises to pay one or two people for life. The payment rate depends upon your age at the time of the transfer; the older you are at the time of gift, the greater the fixed payments.
  - Benefits: Guaranteed annual payments for life regardless of market conditions; a portion of the income may be tax-free; removes taxable assets from estate; partial bypass of capital gains with gifts of appreciated property; income tax deduction in the year the gift is made.

### **I'd like to leave a legacy, who do I contact?**

Thank you for your generosity and for helping create a strong Jewish future! To schedule a meeting about your own legacy giving commitment, please reach out to [giving@jrctogether.org](mailto:giving@jrctogether.org) or use our Declaration of Intent form to share details about your commitment to JRC's legacy.