



**the outcomes  
conference**

*therefore* ►

# What to Expect When You're Bequesting

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## About Barnabas Foundation

Since 1976, Barnabas Foundation has helped thousands of Christians transfer their wealth in ways that honor God, provide for their families and support the ministries close to their hearts.



# Planned Giving Solutions

- Marketing
- Gift Administration
- Planning
- Training & Networking



# Sharing Our Bequest Experience

- Introductions
- Why this Session?
- Bequest Story

# Sharing Our Bequest Experience

- Estate Administration
- Bequest Administration

# Estate Administration

## Probate Estate vs. Non-Probate Estate

- More formal with court involvement
- Time consuming
- Time constraints
- Documents and ownership of assets is crucial

# Estate Administration

## Probate Estate

- Admitting will of deceased and appointing personal representatives
- Publication notice and time frame for claims
- Inventory



# Estate Administration

## Probate Estate

- Beneficiaries rights/recourse
  - Notices
  - Hearings
  - Filing petitions
  - Distributions
  - Final accounting/closing estate

# Estate Administration

## Non-Probate Estate

- Successor trustee operates with less supervision
- Duties to include gathering assets, liquidating, paying expenses and making distributions according to trust documents

# Estate Administration

## Non-Probate Estate

- Beneficiaries rights/recourse
  - Rights to document, lists of assets, accounting & distribution
  - Recourse is probate court
- Time issues

# Estate Administration

## Helpful Hints

- Probate process may be good for you
- Communication is important
- Patience, but not naïve
- Try to get copy of documents naming your organization as a beneficiary (and after death contact name ) before donor dies
- Best if aware of any designations ahead of time

# Bequest Administration

## Types of Bequests

- **Pecuniary** – specific sum of money
- **Specific** – paid after claims against estate, but before residual beneficiaries are paid. Usually a %.
- **Residuary** – paid after specific bequests, taxes and expenses have been paid. A partial distribution may be made initially, then a final distribution when the estate is totally settled.
- **Contingent** – bequest is contingent on a future event, such as death of surviving heir.

# Bequest Administration

## Types of Bequests

- **Beneficiary Designation** – charity is the beneficiary of IRA or other retirement plan, life insurance policy, brokerage account, etc.
  - Charity is required to submit a claim and certified death certificate.
  - Distribution usually received within six weeks.

# Bequest Administration

## IRA Distribution

- Often asked to set-up account
  - Challenge letter
  - <https://charitablegiftplanners.org/rift-database-ira-custodians>

# Bequest Administration

## Notification

- Letter from executor/attorney
- Letter from successor trustee
- Communication from family member
- Correspondence/check from Barnabas Foundation
- Some funeral homes have a notification list



# Bequest Administration

**What should I do if I think my organization is the beneficiary of an estate, but I haven't been notified?**

- Make a phone call
- Send a letter of inquiry
- Contact probate court
- Funeral home may connect you with family contact

# Bequest Administration

## Steps of Administering a Bequest

- Determine who will take on which tasks
- Set up active file systems to track your “matured” donors.
- Set up calendar ticklers/reminders
- Send condolences to surviving family members, if known. If not known, ask executor.

# Bequest Administration

## Steps of Administering a Bequest (continued)

Once notified of the bequest, send the executor...

- Thank you
- Request that all future correspondence be sent to the appropriate person and address
- Copy of your organization's W-9 and 501(c)(3) letter
- W-4R to avoid tax withholding

# Bequest Administration

## Steps of Administering a Bequest (continued)

You may also ask for...

- Copy of will or trust
- Copy of the death certificate
- Inventory of assets
- Request notification of irregularities
- Request distributions be in cash rather than other assets

# Bequest Administration

## Steps of Administering a Bequest (continued)

- Establish an internal anticipated timeline for distributions/settlement
- Follow up appropriately
- Send thank you letters/receipt after every distribution

# Bequest Administration

## Guiding Principles

- Maintain ongoing communication with the executor.
- If problems arise, contact other beneficiary charities to plan a course of action together.
- If a residual beneficiary, you are entitled to a full accounting of the estate.
- Only sign the receipt (waiver) after you are satisfied the full bequest has been received.

# Bequest Administration

## Red Flags

- Changes prior to death
- Changes requested by heirs
- Junk assets
- Inconsistent stories

# Bequest Administration

## Challenging Bequests

- Family issues
- Unusual assets (loans)
- Long-term hold assets
- Attorney/executor resigns or passes
- Life circumstances after plan is drafted



# Considerations

## Key Issues to Consider

- Gift acceptance policies/issues
- Donor restrictions
- Communication/promotion Plan

# Gift Acceptance Policies/Issues

- Gift acceptance policy
- Policies regarding allocations of bequests
- Accepting and maintaining a complex bequest
- Due diligence
- Anonymous bequests

# Donor Restrictions

- Spending restrictions
- Program restrictions

# Donor Restrictions

Restrictions are an issue. What can you do?

- Meet with the executor and/or family members
- File a suit with the Attorney General of your state
- Decline the bequest

# Communication & Promotion

- Develop a written communication plan
- Highlight bequest in promotional materials; share donor's story
- Include surviving family members in communication plan
- Share with the family how the funds will be used
- Include your board and staff

# Questions and Answers

## **David Schutt**

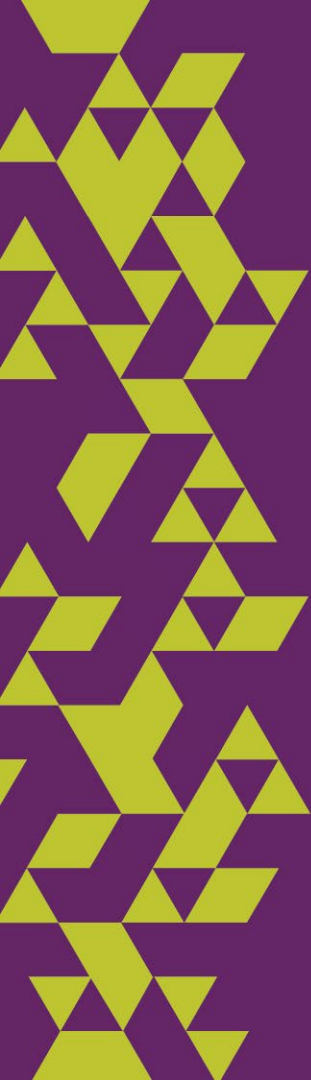
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