# LIFE AND LEGACY: FREQUENTLY ASKED QUESTIONS

**What is a legacy gift?**

- A legacy gift is an after-lifetime gift, included as part of a will or estate plan, or by beneficiary designation of a retirement plan or life insurance policy. This gift goes into a permanent endowment fund for the benefit of your designated organization(s).

**What is the Life and Legacy program?**

- LIFE & LEGACY is a four-year legacy incentive program in collaboration with the Harold Grinspoon Foundation and the Ann Arbor Jewish community. The program, which began in the fall of 2020, is sponsored by the Jewish Federation of Greater Ann Arbor, and HDS and 10 other community organizations work in partnership to secure legacy gifts to build endowment funds to ensure the vibrancy of our future. All members of the community, no matter their age, wealth, or affiliation have the opportunity to express their passion, purpose, and commitment to the future of our most treasured and valuable Jewish organizations through planned legacies.

**Why are endowment funds important?**

- Philanthropic advisors state: If 20% of your operating budget is not coming from your endowment by 2030, then your organization will be in fiscal crisis. One million dollars in our endowment funds would generate approximately $50,000 for our operating budget, making us more resilient to unexpected costs and circumstances.

**What is the difference between endowment funds and expendable funds?**

- LIFE & LEGACY™ gifts become endowment funds. They are invested in a large diversified pool with the Jewish Community Foundation of Ann Arbor. Each year a percentage, typically 5%, is drawn out to offset HDS operating expenses. The principal remains untouched to grow over time. Income earned over 5% is reinvested in the fund.
- Expendable funds are used to support expenses that are operational in nature and may or may not be allocated in the budget. The dollars in these funds are not invested and are available immediately to cover expenses. The HDS annual campaign, other fundraising initiatives, grants, and tuition dollars have been used as expendable funds.

**What are some of the ways I can make a legacy gift to HDS?**
- Bequest in Will or Trust
- Retirement Plan Assets
- Life Insurance
- Cash
- Charitable Trust (Lead or Remainder)
- Charitable Gift Annuity, Donor Advised Fund
- Estate or Business Interest

**Will this prevent me from providing for my children and grandchildren?**

- Making a commitment of a legacy gift does not detract from our ability to take care of our families. Donors are able to select the right size donation or percentage to match their priorities. Leaving a legacy gift also helps us teach our children about the importance of philanthropy and planning for the future. Philanthropy is a pillar of our tradition and the LIFE & LEGACY  program provides one vehicle for us to live our values.
- Furthermore, LIFE & LEGACY commitments are always adjustable or revocable.

**How does HDS benefit from participating in LIFE & LEGACY as part of our fundraising efforts?**

- We are assigned a dedicated, experienced consultant who facilitates quarterly training sessions
- We work within a community-wide partnership to prepare and distribute materials and marketing resources
- We receive incentive dollars for reaching our goals

**What are the next steps?**

- Think about what HDS means to you and how you can ensure our financial stability in the future.
- Complete the Letter of Intent form (attached here) and return it to HDS. The letter of intent is not legally binding; it indicates that a donor 'intends' to make an after-life gift. Decisions about how much or what vehicle are not required, however, if a donor knows the answers to these questions, they are able to indicate it on this form. By completing this form, the donor agrees to make legal arrangements for the gift within 12 months.
- Talk with one of the members of the LIFE & LEGACY Committee, your financial advisor and/or attorney about the best mechanism to use to make a legacy gift.