Ways To Give Guide

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Introduction

INTRODUCTION

Planned giving is sometimes referred to as "legacy giving." It can be a way to support charities of your choice, including Be in Health®, that enables benevolent individuals to make large gifts, either during life or at death, in a tax-efficient manner. Some planned gifts provide life-long income to the donor. Other gift plans use other estate and tax planning to provide for both the charity and the donor's heirs in ways that take advantage of tax laws to permit a donor to give generously to charity as well as make provision for his family.

The information in this brochure briefly describes different ways you can plan a gift through immediate, deferred or life income gifts. It is provided to give you a basic understanding of planned giving options, not as a complete reference for all the options available.

> *Be assured that you don't have to know it all! However, it may be helpful to know whom to call. If you do not have a financial planner and an attorney who is skilled in estate planning, Be in Health® may be able to help. We have assembled a team of experts to whom we can refer you: attorneys, financial advisors, accountants, brokers, bankers and insurance agents.*

Immediate Gifts

IMMEDIATE GIFTS

The assets described here may be used to fund both immediate gifts and life-income gifts. The procedures refer only to immediate gifts.

CASH

Gifts of cash are routinely used to pay pledges and make special (capital) gifts.

Procedures: Make a check payable to Be in Health or call (706) 646-2074 option 5 to give using a credit card. You may also give online at www.BeinHealth.com/donate using one of the major credit cards: Visa, MasterCard, Discover or American Express.

SECURITIES

Many donors use stocks, bonds, or mutual funds to make gifts. ***You should consult with your financial advisor and attorney if you are considering donating securities***.

1. If the securities have increased in value since you obtained them, there can be significant tax advantages:

2. Your income tax deduction is usually based on the full market value of the securities on the date of the transfer.

You can usually avoid paying capital gains taxes that would have been due if securities had been sold.

If you wish to donate securities that have diminished in value since you obtained them, it may be wiser to sell the stock, claim the capital loss as a tax deduction, and donate the resulting cash.

Valuation: The IRS generally calculates the value of the gift as the average of the highest and lowest selling prices of the securities on the gift date.

Personal Property

REAL ESTATE

Giving real estate to charity is a time-honored way of making a substantial gift with an asset, usually highly appreciated, that might otherwise be underutilized.

Procedures: To make a gift of real estate, whether or not it includes a dwelling or other buildings, the property should be free of financial encumbrances such as mortgages or liens. It should be readily marketable, and you should be aware that Be in Health® may sell the property after it is given. ***Please contact Be in Health® before donating the property, since Be in Health® may need to determine whether this is an asset that it should accept. Please also be aware that Be in Health® may want to conduct an environmental assessment to ensure that there are no hazardous waste conditions at the site that could become a liability to the new owner.***

The donor usually pays for a property survey, appraisal (from which the value of the gift is determined), the environmental assessment, and the preparation by an attorney of the deed transferring the property.

PERSONAL PROPERTY

You may donate assets such as jewelry, automobiles, paintings, and antiques as immediate gifts, or they can be used to fund life income gifts. As with real estate, you will need to pay for a bona fide appraisal of the item by a qualified appraiser.

Procedures: **Your lawyer creates a deed of gift and closing takes place at which the item is delivered, and the documents executed. The gift date is the date on which this closing takes place.**

Valuation: **The IRS has different rules to determine the deductibility of items of different kinds of personal properties, depending on the nature of the property. The question of the value of contributed property for deductibility purposes is an important one to answer correctly, since the IRS may assess penalties for overstating the value of contributed property. There are two IRS publications - Publications 526 and 561 – that you should consult when determining the deduction you can justifiably claim for contributed property. In any event, you should consult with your tax advisors for the appropriate evaluation and reporting requirements.**

Retirement Assets

BARGAIN SALE

A bargain sale is an arrangement by which a donor sells a portion and gives a portion of personal property or real estate to Be in Health®. It is often used with nondivisible assets (such as real estate), where the donor wishes to contribute part but needs the cash from part. There are special rules (the bargain sale rules) that govern this type of transaction and thus you should consult with your tax advisor to know the tax consequences for you and employ an attorney to advise you and prepare the appropriate documentation.

RETIREMENT ASSETS

Retirement funds are an increasingly valuable asset to many people—an asset often overlooked as a source of charitable gifts. Giving from an IRA, a 401K, or 403B plan can provide you with important tax advantages.

Since the money that has accumulated in these plans has never been taxed, the IRS levies heavy taxes on any distribution, unless that distribution is to a tax-exempt entity, such as Be in Health®.

At your death, retirement assets generally are included in your estate and thus, depending on the size of your estate, may cause it to be subject to estate tax. In addition, when the retirement fund makes a distribution, that can be subject to income tax. A tax-smart way of providing for family and charity is to give retirement assets, which have not yet been taxed and are awaiting taxation by the IRS, to charity (such as Be In Health®), which generally is tax-exempt, and your other assets to those you want to bless with your wealth.

GIFTS OF LIFE INSURANCE

You may find that you have some life insurance that you no longer need. "Whole" or "universal" life insurance has cash value and can be donated to Be in Health®.

To claim a deduction, you will generally need to get your policy appraised and typically, a donor can claim the lesser of (a) the adjusted cost basis or (b) the fair market value of the policy. (The adjusted cost basis is generally the total value of the premiums paid prior to the donation minus withdrawals). ***You should consult with the insurance company and your tax advisor before donating the policy to make sure that you know the details of your policy and exactly what deduction you can claim.***

If the policy requires continuing premium payments, you can continue paying those premiums and get a tax deduction for each one if done the following way: the policy must be "owned" by Be in Health®, and we must pay the premiums on it. You contribute to Be in Health® each year in an amount that approximates the premium, and Be in Health® pays the premium.

Alternatively, instead of donating the policy, you may also designate Be in Health® as a full or partial beneficiary of the policy.

DEFERRED GIFTS

GIFTS THROUGH WILLS

Be in Health® has had an impact on many lives. Perhaps you were healed, grew, developed, and were nurtured in your faith by Be in Health's witness and work. It is only natural that you would want to help continue its work by providing a gift through your estate planning.

A gift through a will is the simplest and most common planned gift. It can take many forms, including (i) an outright monetary bequest, (ii) a percentage of your estate, (iii) a percentage of the "rest, residue, and remainder" of your estate after a number of other bequests have been fulfilled, or (iv) a gift of a specific asset, such as personal or real property. It could also be a contingent bequest, exercised only if some other intention is unable to be fulfilled (such as a named heir predeceasing you).

Gifts Through Wills

SPECIFYING THE USE OF YOUR GIFT

You can have charitable bequests given for general purposes or to support specific programs at Be in Health®.

Examples of bequest language are:

"I give, devise, and bequeath to Be in Health® LLC, whose address is 4178 Crest Highway, Thomaston, Georgia 30286, EIN 20-3532218 the sum of $_________, to be used for its general purposes."

"I give, devise, and bequeath 10% of the rest, residue, and the remainder of my estate to Be in Health® LLC, whose address is 4178 Crest Highway, Thomaston, Georgia 30286, to be used for the For My Life® Retreat."

Procedures: You should always make your estate plan with the assistance of an attorney. The money spent is minimal compared to the savings in taxes and the reduction in complications and confusion.

Use Be in Health's® "Planning for the End of Life" booklet, which contains instructions for planning your memorial service, for gathering information about your assets and intentions, and for making your will.

Your gift to support Be in Health® is a living tribute to your intention to support the mission of establishing generations of overcomers by giving away assets after you no longer need them.

Having made that decision, you may wonder if there might be advantages to giving away assets before you die? There are tax-smart ways to make a provision for Be In Health® during your life that both give to Be in Health® and provide for you and your family, as the next section describes.

Split Interest Gifts For Charity

There are other tax efficient vehicles (generally, in each case, involving a trust) to benefit Be In Health®. Some give Be in Health® an immediate benefit; others give Be in Health® the benefit after you pass away or after a certain term of years.

These kinds of gifts are called "split-interest" gifts, because a trustee is managing assets for the interests of both the income beneficiary (whose objective is to receive income) and charitable beneficiary (whose objective is to receive the greatest asset value at your death).

CHARITABLE REMAINDER TRUSTS

The structure of a charitable remainder trust (CRT) works generally as follows: The donor transfers to an irrevocable trust an asset that generates income to the trust and retains a right to receive income from that trust for a specified period of time (this can be a term of years or for the life of an individual). At the end of that span of time, the asset(s) in the trust are distributed to the charity

There are, broadly, two types of CRTs, depending on how the income is paid out, either in the form of (1) an annuity (such a trust is called a CRAT (for Charitable Retained Annuity Trust)) or (2) a unitrust percentage (such a trust is called a CRUT (for Charitable Retained UniTrust)).

A CRUT has a stated payout rate, say 5% or 6%, which is applied against the market value of the trust's assets, as valued annually. If the assets have increased in value during the preceding year, the payout will be higher, still at the same percentage, but now of a larger value.

A CRAT also has a stated payout that is based on the initial value of the trust assets but it is a fixed annuity. Its payments do not change, whether the underlying assets of the trust increase or decrease in value.

A full explanation of the differences between CRATs and CRUTs (and of different versions of CRUTs) is beyond the scope of this booklet but what is common to both is that the trustee invests the assets and produces income, which is paid to the donor and/or spouse, or another person if desired. The income can be paid for the duration of their lives or, in some cases, for a specified number of years. At the end of the span of time that you choose (either lifetime or a specific term of years), the assets held in the trust would be distributed to Be in Health®.

The gift of an asset (or of a collection of assets, such as a portfolio of securities) to such a trust entitles the donor to an income tax deduction that typically can be spread over five (5) years. Determining that deduction involves complicated calculations and is different depending on whether the charitable remainder trust you choose is a CRAT or a CRUT.

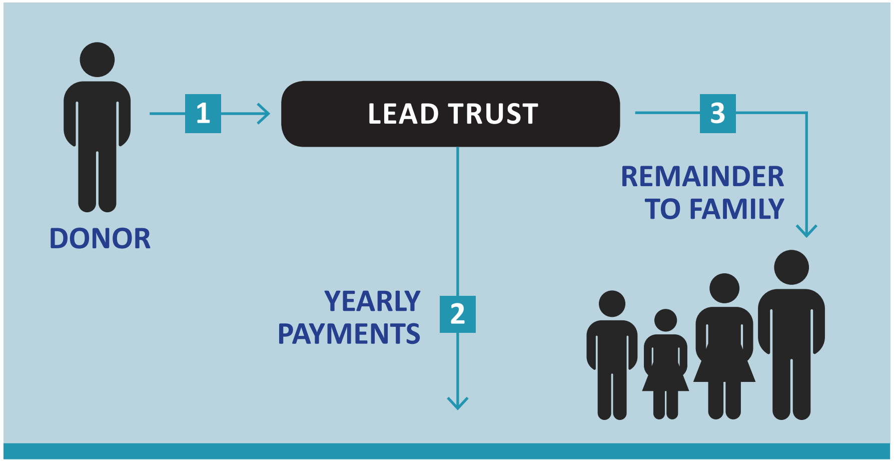
For substantial contributions, the charitable remainder trust is a flexible and creative life income gift vehicle. It can provide you and your family a number of benefits while providing a substantial gift to support Be in Health®.

Income from a charitable remainder trust is taxed advantageouslyand you should discuss this thoroughly with your financial advisor and attorney so that you understand the tax effects of the trust before you create it. Appreciated securities, real estate, or cash can be used to fund charitable remainder trusts.

Charitable Lead Trusts

Be in Health®, along with its financial partners, can serve as Trustees of charitable remainder trusts for the lifetime of the trust. The Trustee is charged with calculating values, making the income payments, managing the investments, handling custody of the securities, filing tax returns, making reports and, ultimately, distributing the assets of the trust to Be in Health® at the end of the trust's term.

CHARITABLE LEAD TRUSTS



In some ways, the charitable lead trust (CLT) works in the opposite way that a CRT works: with a CLT, the charity gets it benefit at the front end, not the back end (as with the CRT), of the trust's term. The donor transfers an asset to the CLT and for a certain time span (either a fixed term of years or the lifetime of one or more individuals) the trust pays income generated by the asset to a named charity. At the end of that time span, the assets remaining in the trust are distributed to the donor or to some other named individual(s). This technique provides a way for a person to make his or her charitable donations each year, while at the same time providing a tax efficient way for an ultimate gift to family.

There may be significant tax advantages gained by using a CLT. Donors who wish to give assets to family beyond what the lifetime giving exemption amount will permit may be able to give much larger amounts because of the discount on the value of the remainder gift to the family at the end of the term when the charity is receiving income. In addition, some CLTs permit an income tax deduction. These should be discussed with your financial advisor and attorney.

For contributions of $500,000 or more, you can establish a charitable lead trust for the benefit of Be in Health®. A lead trust is constructed for a specified term of years or for the lifespan of a particular person and pays a unitrust or annuity amount from the assets to Be in Health®. At the end of the term, Be in Health® returns the assets (which might well have grown substantially) to you or your heirs.

Real Estate With Life Estate Reserved

GIFT OF REAL ESTATE WITH LIFE ESTATE RESERVED

If you have decided to leave your home, farm, commercial building or vacant land to Be in Health®, through a life estate gift you can make the gift now, realize an immediate substantial income tax deduction, yet continue to live in your home as long as you wish. The property is appraised to determine current value, then deeded to Be in Health®. You are entitled to a tax deduction calculated on the basis of your life expectancy. In life estate arrangements, you continue to be responsible for real estate taxes, insurance, maintenance, and upkeep.

HOW Be in Health® CAN HELP

In the next section entitled "Types of Planned Gifts", we have presented, in table form, the most common options for giving to benefit Be in Health®, so you can compare them.

These various giving techniques should be discussed thoroughly with your attorney and financial advisor so that you understand the financial and tax implications for you and your family. If you do not have an attorney who can assist you, Be In Health® may be able to recommend an attorney to assist you.

Types of Planned Giving

TYPES OF PLANNED GIFTS

Gift Vehicle	Income to donor	Frequency of payment	Tax deduction	Special advantages
Bequest by Will Give assets through will, which can be changed at any time	None.		Possible reduction of estate and inheritance taxes.	Can be designated.
Charitable Remainder Trust Irrevocable trust which pays an amount to the donor for a time span and ultimately is given to Be In Health®	Different levels of income depending on the type of CRT	Monthly, quarterly, or annually.	Initial income tax deduction. Possible reduction of estate and inheritance taxes. If funded with appreciated securities, can avoid capital gains that would be owed on their sale.	Satisfaction of making a major gift while living.
Life Estate Give real estate but retain right to use it for life	Retention of right to use property for income purposes.		Tax deduction based on equity in the property and donor's age. Possible estate tax reductions.	Satisfaction of making major gift while living.
Life Insurance Gift Assignment of policy to Be in Health® which thereafter holds policy on donor's life	None.		Possible tax deduction ofpremiums and cash value of policy.	A way to "leverage" an asset for your tax advantage that you may no longer need.
Charitable Lead Trust Trust pays Be in Health® income, returns remainder to donor, or gives remainder to heirs after set number of years.	None.		Trust usually passes to heirs at reduced gift and estate tax rates.	Trust dissolves after set period of time (a term of years or a lifespan).
Bargain Sale Sell asset to church at below-market price	Purchased price of asset.		Partial income tax deduction for amount "lost" by the sale.	Satisfaction of making major gift while living.
Appreciated Property Give assets that have appreciated in value while living	None.		Income tax deduction; capital gains tax may be avoided.	Versatile—most any form of property could qualify.
Retirement Assets Give tax-deferred assets to Be in Health® as a beneficiary at death	None.			A tax-smart way to give to charity, which, unlike other recipients, does not pay deferred taxes

IMPORTANT NOTICE:

You should understand that neither Be in Health®, nor any of its ministries, provides tax, financial or legal advice, and the information in this booklet is not, and shall not be, interpreted as such advice.

The information provided herein is for general informational purposes, as well as to help you organize your thoughts, goals and objectives before you meet with a qualified attorney and a financial advisor to assist you in developing a charitable giving plan.

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