



Wills
HAVING A PLAN



A resource of the Alabama-West Florida United Methodist Foundation

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Leaving a Legacy of Faith

In the parable of the talents, Jesus teaches that our possessions, alongside everything else in the world, belong to God; we simply manage and take care of what is given to us while here on earth. As a good caretaker, our goal is to one day hear God say “well done, good and faithful servant” (Matthew 25:21 NIV). How we decide to divide and give away our estate not only reflects the love and wisdom of God in us but also adds to our testimony and legacy as a follower of Jesus Christ.

Financial Stewardship

When it comes to financial stewardship, having a plan in place for your estate is incredibly important. This process determines who you will bless with the gifts God has given and is a great way to show others what you value: family, church, charities, people, and organizations that have made an impact in your life.

What is a Will and why do I need one?

A will is an official document that allows you to make plans for your estate, large or small, choose family and charities to bless with your assets, and make sure your wishes are known and carried out as desired.

In most cases if you die without a will (known as “intestate”) your possessions, home, bank accounts, automobiles, personal belongings, etc. are distributed by a formula called “laws of descent and distribution.” The state appoints an estate administrator (also called an “executor”), selects guardians for children, posts bonds, etc. These laws were created with good intentions but often cost a lot more in fees to your beneficiaries and, will rarely distribute your assets in the same manner that you would, and don’t account for special family circumstances.

Benefits of having a will

- Determine how the assets you have acquired over a lifetime will be divided among family and charities
- Assure that your investments, possessions, heirlooms, family, and interests will be cared for according to your wishes
- Can choose a person, bank, or trust company as estate administrator (“executor”) to manage and settle your estate
- Leave a set amount or the remainder of your estate to your church or charity after loved ones are taken care of
- Make gifts that become effective after your death
- Select a qualified guardian for children under 18
- Arrange for special circumstances such as handicap beneficiaries or those needing special arrangements
- Transfer property (unless jointly owned) to another person, church, charity, or organization
- Allows your estate to be probated in a reasonable period of time
- Lower unnecessary taxation and reduce fees with careful planning, charitable trusts, and bequests
- Decide who will take on any tax burdens that may accompany your estate
- Create a trust that enables you to have full use of your property during your lifetime then directs the property to either an individual or charity at your death. If the property is transferred to the trust (called a “funded trust”) during your lifetime, it can speed up administration and save on taxes.



Requirements for a Will



To create a will, you must be over the age of 18 and of sound mind. It is also recommended that you be in good health and not under emotional stress.

A legitimate will must be written (not verbal), signed, have witnesses present at the signing, and be notarized. Be sure to check with your attorney for other requirements.

When to update or change your will

A will does not expire but should be reviewed annually and revised as your desires or circumstances change. Most changes can be made with a simple addition, called a “codicil,” with the assistance of an attorney. Be sure not to write on your actual will, in most cases this will invalidate it. You will want to consider updating your will if:

- The person you chose as the estate administrator (also called an “executor”) of your will has died or can no longer oversee its fulfillment
- Inflation has increased the value of your estate, and you are reconsidering how it should be distributed
- People are in your will who you no longer wish to include
- You have moved to another state, and the laws of your new state are different regarding tax or estate laws
- Your family has changed, and there are additional children or grandchildren, deaths, or grown children have new circumstances or needs
- You attend a different church or support new charities
- Your assets have drastically changed
- New tax or estate laws have been created

Updating Your Will

Most changes to your will can be made with a simple addition, called a “**codicil**,” with the assistance of an attorney



Ways to give through your will

When you give to the church through your will, you are not only making plans for your estate but also caring for the current and future church.

Leaving a gift to your church or favorite ministry can show the impact it has had on your life and express your wishes to see that ministry continue into the future. Some gifts, such as trusts and endowments, can be created with guidelines that specify how the gift can and cannot be used (including the use of your initial investment also known as the “principal”). For example you might want to designate your bequest solely for missions, building improvements, or some other “beyond the budget” ministry.



Gifts to Consider

- “Bequest”: Give property and other assets after your death. Charitable bequests often provide needed support for maintaining older buildings of the church or addressing emerging missional needs in spite of financial limitations the church may have.
- Specific item of property including land, a residence, securities, a farm, a piano, automobiles, etc.
- Specific sum of cash
- Percentage of your estate: this can be a great gift and help when dealing with inflation costs
- The remainder of your estate: direct the remainder of your estate to the church after loved ones have been taken care of.

Additional Documents

In addition to a will, you may want to consider creating a living will to specify life-prolonging procedures, power of attorney to assist in handling property and paying bills, a life insurance policy, and a health care surrogate to make decisions for you when you may be unable to

Hiring an Attorney

When creating your will, it is important to request the help of a financial planner and an attorney. These individuals can review your bank accounts, investments, family heirlooms, and other assets and can help make suggestions and plans for taxable estate items and how much of your income you should spend, save, and give.

If you are interested in learning more about wills and estate planning, please contact us at foundation@alwfumf.org or call us at 334-793-6820.

*This document is to inform, not to advise. It is best to consult an attorney before taking any actions. A practicing attorney will know your legal rights and responsibilities as well as many common pitfalls, changes in laws, property and estate law, federal inheritance, and estate tax issues. A few hours of an attorney's time now could mean great tax savings later.

Giving Through a Bequest

One of the easiest ways to leave a lasting legacy of generosity is through a bequest to your church or favorite Methodist charity in your will. This gift allows you to plan for your estate and how it is used after your passing. You should consult with your attorney to help write and specify the bequest, make sure your will uses correct legal (corporate) language, and that your intentions and goals for the gift are clear in all final documents.

What is a Bequest?

A bequest is a gift of your personal property such as stocks and bonds, sum of money, asset, etc. Through your will, you direct this property to a church or charity of your choice.



Bequest Gift Options

- Give a fixed dollar amount.
- Give a percentage of your estate.
- Give a portion, or the remainder (residuary bequest), of your estate after heirs are taken care of, and expenses are paid.
- Give a specific dollar amount to start an endowment that protects the principal of your gift (the initial gift amount). The Foundation will permanently hold your initial gift and only pay generated investment income to the church or charity, to ensure your gift will last far into the future.

Examples of Bequest Language

Bequest language for naming a church in your will:

_____ (church or charity name), a nonprofit corporation, or its successor.

Bequest language for gift types:

- A General Bequest of a fixed dollar amount may be worded: "I give to _____ (church or charity name), a/an _____ (Alabama/Florida) nonprofit corporation, or its successor \$ _____ (exact dollar amount)."
- A Specific Bequest of a certain asset from your estate may be worded: "I give to _____ (church or charity name), a/an _____ (Alabama/Florida) nonprofit corporation, or its successor _____ (description of the asset/property)."
- A Residuary Bequest, after other bequests and expenses are paid, may be worded: "I give to _____ (church or charity name), a/an _____ (Alabama/Florida) nonprofit corporation, or its successor _____ (specify "all" or insert a specific percentage) of the rest, residue, and remainder of my estate."
- An Endowment Bequest, to benefit your church or charity far into the future, may be worded: "I give to The Alabama-West Florida United Methodist Foundation the residue and remainder of my estate as a permanent endowment gift to benefit _____ (church or charity name / legal name of beneficiary)."

*This information is provided by the Alabama-West Florida United Methodist Foundation and is not intended as legal, tax or investment advice. Please consult your attorney, tax professional or investment professional for advice.

Having a Plan

Use this checklist as a guideline when creating a plan for God's gifts, or to update your current plan.

New Plan

- Create a will/trust and name beneficiaries
- Make a health care directive
- Select a financial power of attorney
- Purchase life insurance
- Funeral expenses/final arrangements
- Include property/home
- Include children, grandchildren, and other family in your plan
- Include a charitable gift to your church or charity

Updated Plan

- Have you accounted for marriage, divorce, births, and deaths?
- Purchase of a new home
- New business venture
- Substantial increase or decrease in wealth since the last update
- Have you moved to another state?
- Property under joint names
- Changes in beneficiary designations
- Is insurance still needed?
- Should ownership of policies be changed to save on estate taxes?



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