

ENDOWMENTS FOR SCOUTERS OF MODERATE MEANS

Jack Devich

Blue Ridge Council  
Boy Scouts of America

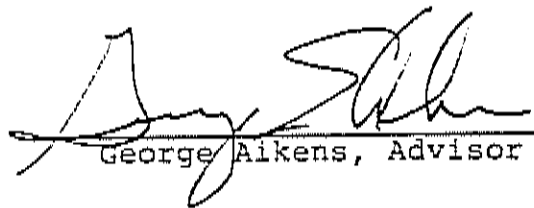
.. May 16, 1997

Piedmont-Appalachian College of Commissioner Science  
Lees-McCrae College  
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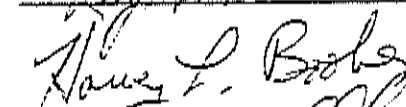
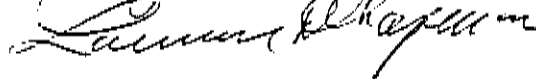
George Aikens, Advisor

To the Graduate Council:

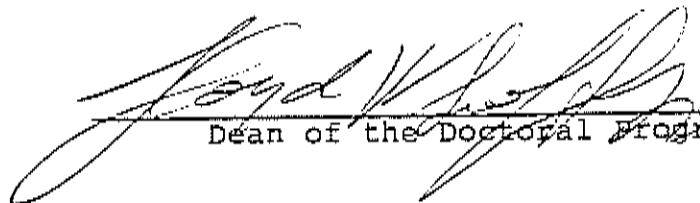
I am submitting herewith a thesis written by Jack Devich entitled "Endowments for Scouters of Moderate Means". I have examined the final copy of this thesis for form and content and recommend that it be accepted in partial fulfillment of the requirements for the degree of Doctor of Commissioner Science.

  
George Aikens, Advisor

We have read this thesis and recommend its acceptance:

Accepted for the Council:

  
Dean of the Doctoral Program

## ACKNOWLEDGEMENTS

I would like to express my deepest thanks to Lee Spence, Ben Edwards, and Todd Shealy, all Scouting professionals, for their interest, support, direction and encouragement while I was writing this thesis. I would also like to thank my loving wife Jeanne, for her support, direction and typing skills in the pursuit of this endeavor, which I trust will be of value to the Blue Ridge Council, Boy Scouts of America Endowment Fund.

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## I. INTRODUCTION

The purpose of this research is to highlight to Scouters of moderate means that they can leave a legacy (endowment) to their Boy Scout Council. According to Webster's New world Dictionary endowment is: to give money or property so as to provide an income for the support of a college, hospital, etc.

Many Scouters participate in their council fund drives such as Friends of Scouting, popcorn sales and capital campaigns. To a Scouter of moderate means these fund drives can stretch one's budget; then we follow up with requests to leave an endowment. It seems as though the Boy Scout Council is always asking for money. The Boy Scout Council needs money to operate on a day-to-day basis and bring their educational program of character building, citizenship training and fitness to the youth of our country. Volunteer and professional Scouters all agree this is a worthwhile endeavor and we should be willing to support the Boy Scouts of America financially as well as giving of our time.

Endowments are generally thought of as a philanthropic gesture for only the wealthy. This thesis will present some ideas for Scouters of moderate means to endow their Boy Scout Council.

It is estimated that in the United States 10.6 trillion dollars will pass from one generation to the next by the year 2006. A portion of this must pass on to the organizations we believe in and support.

## II. WHY HAVE A WILL?

Webster's New World Dictionary defines a Will as: the legal statement of a person's wishes concerning the disposal of his property after death. You have worked hard to accumulate some wealth during your lifetime. If you don't have a Will the state in which you reside has, in essence, made a Will for you. A probate court will decide who gets your property. Do you want someone else making the decision about who will receive your property? Some people think they don't own enough property to bother making out a Will. This is a mistake; an estate can be worth easily \$200,000 to \$300,000.

Example:

Real estate (average house)	\$100,000.00
2 cars	20,000.00
Bank accounts/investments	50,000.00
Life insurance	50,000.00
Personal property such as furniture, silver, china, etc.	<u>20,000.00</u>
Total	\$240,000.00

There are people and organizations in your life that you believe in and support. Why not ensure that a part of what you have earned in your lifetime will be left to them. It is estimated that 70% of all people die without a Will. Don't let it happen to you.

## SIX SIMPLE STEPS TO PREPARING A WILL:

1. Begin by making the decision to prepare a Will.
2. Make a list of important things - family, friends, church  
Boy Scouts, etc.
3. Make a list of important people - spouse, children, grand-  
children, friends. Think of their needs and what you would  
like to do for them.
4. Make a list of important organizations - Boy Scouts, church,  
civic organizations, etc. Think of their needs and what  
you would like to do for them. Someone helped these organ-  
izations before you; now you can do the same for generations  
to follow. Consider becoming a Heritage Society member  
with a gift of \$5,000.00 or more in your Will.
5. List all your assets and their value:
  - Real estate
  - Cars
  - Investments
  - Bank accounts
  - Pension
  - Business Interests
  - Jointly owned property
  - Life Insurance
  - Personal property such as furniture, silver, china, antiques,  
collectibles, etc. You may want to give personal items to  
certain people or organizations such as Boy Scouts of  
America. List them by name so these items will be theirs.



6. Make an appointment with an attorney whose specialty

is wills and estates. When you visit your attorney make sure you bring with you the following:

Names

Birthdates

Addresses

Spouse's name

Marriage date and place

Financial data

List of property holdings

Who you want as your personal representative

(executor or executrix).

The cost of an average Will is between \$100.00 and \$500.00. This cost is far less than the expenses and taxes if a Will is not made.

(Excerpted from "My Will Starts Here", Rotary Foundation Form (RF3-183-EN).

You have worked hard to build some wealth, and you have received benefits from your community, its people, and its institutions such as the Boy Scouts of America. It's worth a few hours of time and a few dollars to make sure your estate is left to whom you desire. If this is done you will have the peace of mind of knowing that the people and institutions that you believe in and support will be taken care of.

Suggested Will Bequest language:

"I give, devise and bequeath to the Blue Ridge Council, Boy Scouts of America, or their successor, \_\_\_\_\_ (insert here the amount of the gift), to be used for their benefit in such a manner as the Trustees thereof may direct."

If you already have a Will, a Codicil can be added.

Suggested Codicil to Last Will and Testament:

"I, \_\_\_\_\_ (insert name), hereby amend my Last Will and Testament, executed on the \_\_\_ day of \_\_\_\_\_, in the year \_\_\_\_\_, by adding the following specific bequest:

I give to the Blue Ridge Council, Boy Scouts of America, or their successor, \$\_\_\_\_\_ (\$5,000.00 or more if you desire to be a Heritage Society Member), to be used for their benefit in such a manner as its Trustees may determine. I direct that all other provisions of the previously executed Will remain in effect."

(Bequest and Codicil language excerpted from "My Will Starts Here", Rotary Foundation Form RF3-183-EN).

A Codicil should be signed and witnessed before a Notary Public to avoid future problems. It is also a good idea to let your loved ones know your wishes. Another thing to remember about leaving a bequest through your Will is, you will never miss it!

### III. LEAVE AN ENDOWMENT TO THE HERITAGE SOCIETY

The Scouting Heritage Society is a group of people who have made a gift of \$5,000.00 or more to the Blue Ridge Council, or any other Boy Scout Council. There are many ways to make your gift such as outright gifts, bequests, Boy Scouts of America Pooled Income Fund, Life Insurance, Charitable Remainder Trust, Charitable Lead Trust, Memorial Tribute Fund, Charitable Gift Annuities and Gift of Farm or Residence. (See Boy Scouts of America Publication No. 35-272 Scouting Heritage Society Appendix A).

This all sounds much more complicated than it really is. After all your family and personal needs are met you can specify in your Will an amount or percentage of what is left in your estate to go to the Blue Ridge Council. Once this is done, you can complete the form to become a Heritage Society Member. (See Appendix B).

#### IV. JAMES E. WEST FELLOW AN EASY WAY TO BECOME ONE

What is the James E. West Fellowship Award? It is a national recognition for individuals who give \$1,000.00 or more in cash or securities to the Boy Scout Council Endowment Trust Fund. It is given in addition to the annual Friends of Scouting gift. It may be given to honor someone, a spouse, an Eagle Scout, departed loved one, etc.

James E. West was the first chief scout executive of the Boys Scouts of America and exemplified Ralph Waldo Emerson's observation that "An institution is the lengthened shadow of one man." Scouting is the "lengthened shadow" of Dr. James E. West who gave more than three decades of outstanding and farseeing leadership to the Boy Scouts of America.

By being recognized as a James E. West Fellow you cast your own "lengthened shadow" to help ensure the Scouting legacy for young people of future generations.

JAMES E. WEST SUPPORTING MEMBER: I would like to recommend to the Executive Board of The Blue Ridge Council, Boy Scouts of America, subject to their approval, a "pay-as-you-go plan" for a person to become a James E. West Fellow. Based on their choice they could pay a given amount each year and be a James E. West Supporting Member, example:

Pay \$500.00 per year for 2 years

Pay \$333.00 per year for 2 years, \$334.00 third year

Pay \$250.00 per year for 4 years

Pay \$200.00 per year for 5 years

When their first payment is made they would be presented a James E. West Supporting Member certificate. Upon completion of payments totaling \$1,000.00 the James E. West Fellowship Award would be presented to them.

(Application form, see Appendix C).

(James E. West Supporting Member certificate, See Appendix D).

(James E. West Supporting Member Brochure, see Appendix E).

This is an opportunity to create an endowment that will forever provide income to the Blue Ridge Council, Boy Scouts of America.

This "pay-as-you-go plan" is not unique by any means, Rotary International has their Paul Harris Sustaining Member which is a "pay-as-you-go plan" to become a Paul Harris Fellow with a \$1,000.00 gift.

## V. CHARITABLE GIFT ANNUITY

This is a way to receive lifetime income and at the same time leave a gift to the Blue Ridge Council, Boy Scouts of America. The annuity can be paid for one or two lives, for example, you and your spouse. Let's say you have a \$10,000.00 certificate of deposit about to mature that is paying 4%. A Charitable Gift Annuity would pay out at the age of 60 - 6.1%, age 70 - 6.9%, age 80 - 8.8% and age 90 - 11% . The payout increases with age because it is assumed that there will be a shorter payout period. With certificates of deposit, savings accounts, and some stocks and bonds earning between 4 and 6% this is a good way to increase your income and have income tax deductions also. A large portion of the payout would be tax free which would increase the net earnings; and if appreciated property such as stocks are used there would also be an immediate tax deduction. This is an excellent way to avoid capital gains taxes on a highly appreciated stock. The Blue Ridge Council will provide guidance and assistance to you; but due to the tax complexity, you should also consult with your tax advisor before any final decisions are made.

Keep in mind that a gift of at least \$5,000.00 would make you a Heritage Society Member.

## VI. A GIFT OF LIFE INSURANCE

You may have a life insurance policy that, due to changing circumstances, no longer fits the needs you originally intended. You can easily change the beneficiary to the Blue Ridge Council, Boy Scouts of America for all or a portion of the policy amount by contacting your insurance agent or broker and letting him know your wishes. If you have a life insurance benefit at your place of employment the same thing can be done through the Personnel Department.

Again, keep in mind that a gift of at least \$ 5,000.00 would make you a Heritage Society Member.

Life insurance is a fine way to give to the Blue Ridge Council, Boy Scouts of America and you will never miss it.

## VII. LONG TERM SAVINGS

Saving a given amount regularly over a long period of time can have amazing results. The power of compounded earnings is phenomenal. Example:

If you were to save \$ 50.00 per month in a strong mutual fund, or strong individual stock at a growth rate of 10% per year (historically stocks have performed at about this rate), you could realize the following results:

<u>Time Period</u>	<u>Amount Paid In</u>	<u>Value Of Fund</u>	<u>% Growth</u>
10 yrs.	\$ 6,000	\$ 10,000	67%
20 yrs.	12,000	36,000	200%
30 yrs.	18,000	104,000	478%
40 yrs.	24,000	280,000	1067%

If you were to invest \$100.00 per month the above amounts would double. Systematic savings can yield great results; but you must be a "plugger" and stick to it. Many businesses offer 401(k) plans, where you elect to have a part of your pay contributed by your employer to a retirement fund, rather than have it paid to you as salary. You do not pay taxes on this money until you receive it in a distribution from the fund at a much later date. 403(b) plans are offered by many tax exempt organizations and public schools. They offer the same tax deferred benefits as 401(k) plans. It is financially wise to invest in these plans to the maximum. Some employers even provide matching funds. 401(k) and 403(b) plans can also save



you taxes by reducing taxable income each year you contribute.

If there is no plan where you work "do it yourself" with an Individual Retirement Account (IRA). With an IRA you may contribute up to \$2,000.00 each year. Beginning January 1, 1997, an additional \$2,000.00 may be contributed for your spouse. All or a portion may be tax deductible depending on your adjusted gross income and whether you participate in an employer-provided retirement plan.

In these uncertain times we have heard a lot of gloom and doom about social security; so save for your own retirement and some day you could be able to leave the Blue Ridge Council, Boy Scouts of America, a substantial endowment.

## CONCLUSION

Quite often we hear from our fellow Scouters that we play the "numbers game" whether it be membership growth, or money, or other areas. Any business leader will tell you in order to stay in business you have to grow. Our business is serving youth. We have to grow to serve more youth and to do this we need more money, not only due to rising costs because of inflation but also rising costs due to serving more youth. Yes, we are involved in a "numbers game", we have:

1. Too many kids on drugs and alcohol at every age level we serve.
2. Too many kids with no real friends they can count on.
3. Too many kids committing suicide because of a sense of failing, lack of direction, lack of friends, sense of despair and lack of people who care.
4. Too many kids lack values consistent with society.
5. Too many kids with no spiritual base to guide them in life.

We have a "numbers game" all right; but when it is put in this perspective, it may be the most important game in town. (Excerpted from Blue Ridge Scouter Vol.27 No.1, January 1997).

This paper has presented ideas on how Scouters of moderate means can become philanthropic supporters of the Blue Ridge Council, Boy Scouts of America and give a gift to our youth of the future that will continue to work long after they are

gone.

We believe in the Scouting movement and should do everything in our power to make sure it will continue and grow.

## Gift of Life Insurance

Life insurance policy, purchased a number of years (for children who are now economically self-sufficient), can be irrevocably assigned, naming the donor as the ultimate beneficiary and owner. The donor receives a tax deduction for the approximate value of the policy, as well as a tax deduction for the annual premiums. The same benefits apply to the donation of a new policy. The donor also has the option of naming the donor as a contingent beneficiary to whom proceeds can be paid if the primary beneficiary predeceases the insured.

## Charitable Remainder Trusts

Charitable remainder trusts can be established by donors, either in the form of a unitrust or annuity trust. Various kinds of property can be put into these trusts which give the donor an immediate tax deduction as well as other tax advantages. Income is paid to designated beneficiaries for life or for a term not to exceed 20 years. The unitrust can have annual gifts added to it from time to time and it provides a flexible rate of return. The annuity trust, however, cannot be added to once the initial gift is made. It provides a fixed, guaranteed income. The remainder gift is transferred into the endowment fund.

## Charitable Lead Trust

The donor can establish a charitable lead trust for a fixed period of years. During this time the income generated from the trust goes into the council's endowment trust fund. The donor receives a tax deduction every year, and after the fixed period, the trust assets revert to the donor who can then use the income for children, grandchildren, etc.

## Memorial/Tribute Fund

Occasionally, donors may desire to pay tribute to an individual. Commemorative gifts made to the council's memorial/tribute fund become part of the endowment trust fund.

## Gift Annuities

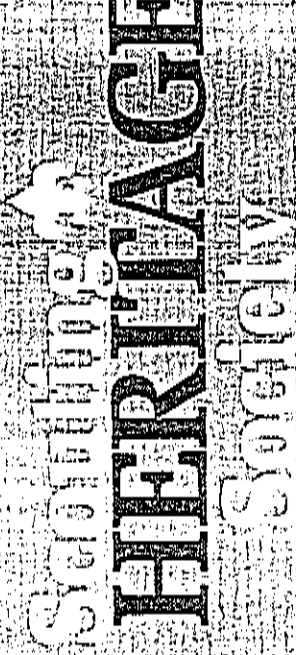
The gift annuity is an established method of providing fixed income payments to the donor or others for their lifetime. The amount received is determined by the size of the gift and the age(s) of the donor or other beneficiaries. However, the income received is guaranteed and not subject to market fluctuations. The remainder gift, after all life income rights have terminated, is transferred into the endowment trust fund.

## Gift of Farm or Residence

Donors can contribute a farm or residence by irrevocably signing the property to the council while retaining the right to live on it for the rest of their lives. By making this gift the donor receives an immediate tax deduction as well as other tax advantages, and the council ultimately receives possession of the property for its use.

## Additional Information

If additional information or assistance is needed, please contact the Scout executive at the council service center listed below.



Be the part of our heritage  
in the present our opportunity  
to preserve our heritage  
for the future our hope

BLUE RIDGE COUNCIL, INC.

BOY SCOUTS OF AMERICA

SCOUTING HERITAGE SOCIETY LETTER OF INTENTION

The BLUE RIDGE Council, Boy Scouts of America, concerned with perpetuating Scouting for future generations of young people, has created a unique program called the Scouting Heritage Society whose purpose is to recognize those special friends who have made a commitment of at least \$ 5,000 to our Endowment Trust Fund, either through a bequest, or by some other form of gift. Those making a gift become lifetime members of the Scouting Heritage Society.

It is our intention, unless directed otherwise, to place your gift into our Endowment Trust Fund where it will be held in perpetuity. Only the income from the fund will be used for the general purposes of the Scouting program.

Please help us by completing the following: All information will be confidential and in no way legally binding.

I would like to become a member of the Scouting Heritage Society by making the following type of gift to the Council's Endowment Trust Fund:

- |   |   |
|---|---|
| <input type="checkbox"/> A gift of cash           | <input type="checkbox"/> A charitable gift annuity  |
| <input type="checkbox"/> A gift of stock          | <input type="checkbox"/> Other type of gift   |
| <input type="checkbox"/> A bequest in my will     | <input type="checkbox"/> I have not made such provision, but I plan to include the Council's Endowment Trust Fund in my will. |
| <input type="checkbox"/> A gift of life insurance | <input type="checkbox"/> I am interested, but would like further information  |
| <input type="checkbox"/> A pooled income gift     |   |
| <input type="checkbox"/> A gift of real estate    |   |

Description, purpose, amount or comments related to any of the above.

\_\_\_\_\_  
 \_\_\_\_\_  
 Name(s) \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 SIGNATURE \_\_\_\_\_ Date \_\_\_\_\_

**IT IS FULLY UNDERSTOOD THAT COMPLETION OF THIS LETTER OF INTENTION IS NOT A LEGAL OBLIGATION ON MY PART AND MAY BE CHANGED AT ANY TIME WITHOUT NOTICE.**

PLEASE RETURN TO:

Endowment Committee  
 Blue Ridge Council, BSA  
 PO Box 6628  
 Greenville, SC 29606

APPENDIX C

APPLICATION

James E. West Supporting Member Date \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Job Title/Occupation: \_\_\_\_\_

Company Name/Address: \_\_\_\_\_

Highlights of Scouting/Community involvement:  
\_\_\_\_\_  
\_\_\_\_\_

Scouting Honors received (list award and date)  
\_\_\_\_\_  
\_\_\_\_\_

I would like to donate to Blue Ridge Council, Boy Scouts of America, beginning on \_\_\_\_\_ (date)

\_\_\_ \$500.00 per year for 2 years

\_\_\_ \$333.00 per year for 2 years, \$334,00 on third year

\_\_\_ \$250.00 per year for 4 years

\_\_\_ \$200.00 per year for 5 years

Upon paying a total of \$1,000.00 the James E. West Fellowship will be bestowed. It is understood that this is a tax deductible gift each year as it is paid, and no refunds can be made if this agreement is not completed. This gift is in addition to my annual Friends of Scouting donation.

\_\_\_\_\_  
Signature

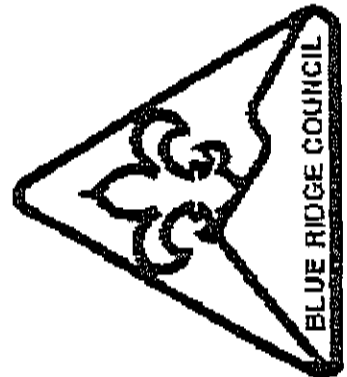
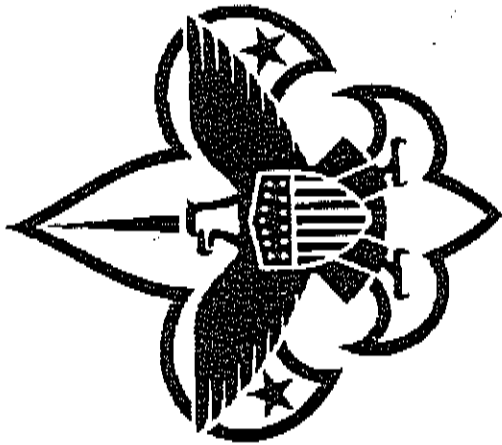
THE BLUE RIDGE COUNCIL, BOY SCOUTS OF AMERICA,  
TAKES PLEASURE IN DESIGNATING YOU A

**JAMES E. WEST**  
**SUPPORTING MEMBER**

YOUR "PAY-AS-YOU-GO" CONTRIBUTIONS TO THE BLUE RIDGE  
COUNCIL ENDOWMENT FUND ARE DEEPLY APPRECIATED. UPON  
CONTRIBUTION OF A TOTAL OF \$1,000, YOUR JAMES E. WEST  
FELLOWSHIP WILL BE AWARDED.

\_\_\_\_\_  
SCOUT EXECUTIVE

\_\_\_\_\_  
DATE



## APPENDIX E

### JAMES E. WEST SUPPORTING MEMBER

The James E. West Fellowship Award is recognition for contributing \$1,000.00 or more in cash or securities to the Blue Ridge Council, Boy Scouts of America's Endowment Trust Fund. This is not meant to diminish or replace your annual Friends of Scouting gift. The contribution can also be given as an award to honor someone you love or hold in high regard.

To be a James E. West Supporting Member you contribute to the Blue Ridge Council Endowment Fund over a period of time, examples follow:

- \$200.00 per year for 5 years
- \$250.00 per year for 4 years
- \$333.00 per year for 2 years, \$334.00 for third year
- \$500.00 per year for 2 years

Upon contributing a total of \$1,000.00 the James E. West Fellowship will be awarded. You will receive a personalized 8 x 10 certificate, a distinctive lapel pin/charm and an embroidered square knot for uniform wear.

This is your opportunity to make your mark with a philanthropic gesture to ensure that the Boy scout program will continue to reach the youth of the Blue Ridge Council in the future. Your James E. West Fellowship will be prudently invested and earn operating funds for the Blue Ridge Council forever. It is also tax deductible to you each year. A \$200.00 contribution each year over 5 years would amount to \$50.00 every three months (quarterly); and with a little effort it can be done.

### A GIFT OF LIFE INSURANCE TO THE HERITAGE SOCIETY

You may have a life insurance policy that due to changing circumstances, no longer fits the needs you originally intended. You can easily change the beneficiary to the Blue Ridge Council Boy Scouts of America for all or a portion of the policy amount by contacting your insurance agent or broker and letting him know your wishes. If you have a life insurance benefit at your place of employment the same thing can be done through the Personnel Department.

Again, keep in mind that a gift of at least \$5,000.00 would make you a Heritage Society Member.

Life insurance is an excellent way to give to the Blue Ridge Council, Boy Scouts of America and you will never miss it. This is your chance to help ensure that Scouting will continue for future generations of young people, and also ensure the financial stability of the Blue Ridge Council in the Twenty First Century.



## GLOSSARY OF TERMS

Adjusted gross income - your gross income reduced by certain adjustments allowed by law.

Bequest - To leave property or money to another by last will and testament.

Codicil - An addition to a Will to change, revoke or add provisions.

Charitable Gift Annuity - A program that allows you to exchange a monetary gift for a guaranteed lifetime income, paid to you each quarter, as well as a charitable tax deduction.

Endowment - to give money or property so as to provide an income for the support of a college, hospital, church, Boy Scouts of America, etc.

Estate - all property, real or personal, owned by a person.

Executor - The person appointed to see that the terms of a Will is carried out.

Executrix - Feminine of executor.

Individual Retirement Account - IRA - an account under which certain individuals are permitted to establish a retirement plan and to deduct all or a portion of their contribution to the account from their taxable income.

Philanthropic - A desire to help mankind, as by gifts to charitable or humanitarian institutions.

Probate - The act or process of proving or establishing the fact that a document submitted for official certification and registration as a Will is genuine.

Probate Court - A court having jurisdiction over the probating of Wills; the administration of estates and guardianship of minors and incompetents.

Tax incentives - ways to reduce one's taxes.

Will - The legal statement or document of a person's wishes concerning the disposal of his property after death.