

TOOLS FOR GIVING



*Thoughtful giving for
stronger communities,
better lives*

Community as your beneficiary

Gift of Life Insurance



Life insurance provides a simple way for you to give a significant gift to charity, with tax benefits that you can enjoy during your lifetime.

How it works

- You make East Tennessee Foundation the owner and irrevocable beneficiary of your life insurance policy – you can either give a paid-up policy or continue to pay premiums.
- You receive a tax deduction for the approximate cost or fair market value, whichever is less. If the policy is paid up, you may receive an immediate tax deduction. If it is not, you can claim continuing tax deductions on premium payments you make directly or through gifts to East Tennessee Foundation.
- Upon your death, we set up a special fund in your name, in the name of your family, or in honor of any person or organization you choose.
- Our professional program staff considers your charitable wishes and determines the areas of community need that would be most impacted by grants from your gift.
- Our board issues grants in the name of the fund you establish (if you prefer, grants can be made anonymously).
- We handle all the administrative details.
- Your gift can be placed into an endowment that is invested over time. Earnings from your fund are used to make grants addressing community needs. Your gift – and all future earnings from your gift – is a permanent source of community capital, helping to do good work forever.

The gift that pays

When his two daughters were young, Zachary Smith bought a life insurance policy to provide for his family in the event of his death. Now, he's 65, and things have changed. "My daughters are both grown and doing very well for themselves, and over the years, my wife and I have become fairly comfortable -- she will no longer need the death benefit from my policy," says Zachary. The Smiths support and volunteer for a youth mentoring program as well as their local museum. "We've always planned to leave something for important community organizations when we pass," says Zachary. After talking with their financial planner, Zachary decided to give his life insurance policy to a community foundation like East Tennessee Foundation. "After giving my policy, I received a significant tax deduction," says Zachary. "We had owned the policy for so long that we could choose to stop paying the premiums and maintain a sizable death benefit." The Smith Fund will be established with the proceeds from the insurance policy to benefit youth development and other community organizations.

**For more information on how to
establish a fund at
East Tennessee Foundation,
call us at
(865) 524-1223, or
toll-free at (877) 524-1223,
or e-mail: etf@etf.org
Visit us on-line at
www.easttennesseefoundation.org**



*Confirmed in Compliance with National Standards
for U.S. Community Foundations*