

## High Desert Investment Advisors

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*Serving Your Personal Investment Needs Since 2003*

## A PROPOSAL FOR PLANNED GIVING DESIGNED SPECIFICALLY FOR (YOUR NON-PROFIT)

Establish goals for the Non-Profits we are to work with.

For (YOUR NON-PROFIT), the goal is to raise (ex. \$200,000 Within the coming months).

This is likely to require more than a one-time planned giving event unless we get a really strong participation by the staff.

Also, it will require the commitment of the entire Board of Directors, and, hopefully, their active participation, including personal gifting.

Your Development Director works closely with our firm to bring potential donors to meet our professional investment management counselors.

Successful Fund Raising and Planned Giving depends upon the leadership of the Executive Director and the financial commitment and leadership of the Board of Directors of your organization.

Each plan is designed specifically for the needs of your organization. We work with your Executive Director to develop that plan. It is presented to the Board of Directors; the Board commits to support the plan and to personally participate in the fund raising investments, to the extent that each is able.

### FIRST IDEA:

The primary goal for this effort will be to do ten (10), \$100,000 annuities, where the donor contributes the annuity's cash flow for a minimum of one year, to (Your Non-Profit). For each \$100,000 annuity, this will generate about \$5,000+ in cash payments to (YOUR NON-PROFIT) during the first year.

Achieving this goal will generate about \$50,000 in cash flow during any given 12 months period.

After year # 1, this cash flow can revert to the donor's account if that is the choice.

Alternative # 2: - for year # 2 and forward: (1) The cash flow can continue to flow to (Your Non-Profit); or (2) this cash flow can be dedicated to the purchase of a life insurance policy. For example, a woman age 70, who purchased this annuity, could then purchase about \$250,000 of life insurance with (Your Non-Profit) as the beneficiary. (Or alternatively, (Your Non-Profit) could purchase the policy on her life using the annuity payments to pay the premiums)

Each annuity includes a death benefit equal to the amount of the contribution made into the annuity; this death benefit (1) could revert to (Your Non-Profit) at the donor's death, or (2) to the donor's estate.

Alternative # 3: If the donor wants to continue using the annuity cash flow for personal needs, leverage could be achieved by using a portion of that cash flow to purchase a life insurance policy where (Your Non-Profit) is the beneficiary recipient. The use of 35%-40% of that cash flow could fund a \$100,000 lifetime term, life insurance

policy with (Your Non-Profit) as the beneficiary. The donor continues to receive 60%-65% of the annuity cash flow, and the estate would receive the death benefit.

Alternative # 4: We can also do an estate enhancing insurance policy to gain more leverage for the estate after the first year: The annual cash flow can be designated for the purchase of a guaranteed premium insurance policy (guaranteed to age 100). This insurance would provide \$250,000 to the donor's estate; (Your Non-Profit) would receive the annuity's death benefit - \$100,000.

**NEXT IDEA:**

**"LET US USE YOUR MONEY FOR THE NEXT 12 MONTHS..."**

If we can find another 10 people (or more) with \$10,000 of savings that they would let us use for the next 12 months, we can generate another \$6,000 for (Your Non-Profit), and then they will have their money back, after that year, earning for themselves again. They would never have to give up control of their money.

That will raise about \$6,000 for (Your Non-Profit) during a 12 month period.

Planned Giving: If a donor wishes to do a more comprehensive Planned Giving, our professionals will develop individual Planned Giving opportunities for each donor. This can only be achieved by direct personal meetings with individuals who are planning life events and who are structuring their cash flows for retirement and for their estates.

Planned Giving ideas would include:

- The sale of a business
- The sale of real estate - residential, commercial, raw land.
- Charitable gifting plans that accommodate a donor's estate plan.
- Review of existing life insurance plans to find those policies that have value that we can transfer to other investments or gifted to (Your Non-Profit).
- Seek out long term contributions by using a combination of annuities and life insurance.
- We also can offer a fixed-premium life insurance gift to (Your Non-Profit) for those donors who want to offer a large contribution for your endowment.

**AN IMPORTANT CONCEPT:**

These contributions are designed to preserve and protect donor investment assets and/or to enhance their personal cash flows.

The best scenario would be to be able to increase the donors' estates, for their children, and grandchildren, and at the same time, generate cash flows that can be donated to (Your Non-Profit), or used for their own personal needs, while creating a life benefit for ALT.

SCALABLE EXAMPLES ARE PROVIDED ON THE FOLLOWING PAGES

HOW TO PROTECT YOUR ESTATE VALUE  
WHILE PROVIDING FOR YOUR CHOSEN CHARITY

A SUBSTANTIAL ANNUAL CASH FLOW CONTRIBUTION

Example # 1

Assumptions:

- Female age 70
- Purchase an annuity with a lifetime stream of income: Deposit = \$100,000
- Begin immediately taking distributions on the basis of 5% of the contribution value including the 5% purchase bonus
- The annuity death benefit will return the donor's annuity contribution back to her estate.  
Annual Annuity Payments = \$5,250
- Purchase \$100,000 UL life insurance guaranteed premium through age 100  
Annual Life Insurance Premium = \$1,910
- Net Cash remaining to contribute to the Charity = \$3,340 annual contribution  
Annual cash flow to the Charity = \$3,340

Annuity Death Benefit payment:

- Donor's Estate = \$100,000

Life Insurance payment:

- (Your Non-Profit) = \$100,000
- Plus: Insurance Company Death Benefit Charitable Contribution = \$1,000 (1% of insurance paid)

Total Donation to (Your Non-Profit), outside of the Donor's Estate = \$101,000

Example # 2

Assumptions:

- Male age 75
- Purchase an annuity that provides both a lifetime stream of income and includes a death benefit
- Purchase amount = \$100,000
- Begin taking distributions on the basis of 6% of the contribution value including the 5% purchase bonus  
Annual Annuity Payments = \$6,300
- Annuity rider provides a death benefit in the amount of the contribution = \$100,000
- Net Cash remaining to contribute to the Charity = \$6,300 annual contribution  
Annual cash flow to the Charity = \$6,300

Example # 3

Assumptions:

- Male or Female age 30
- Place excess cash in a Charitable Contribution Investment Account - \$10,000
- Minimum funding = \$5,000
- Charitable Account remains under the control of the donor and may be liquidated at the donor's discretion, with all funds returned to the donor.
- Purchase low risk, appropriate investments, designed to provide periodic interest and dividend income.

- Automatic distribution of net annual income, quarterly, to the Charity.
- Target gross yield = 6.5%  
Annual Cost = \$50 (0.50%)
- Net Cash remaining to contribute to the Charity = \$600 annual contribution  
Annual cash flow to the Charity = \$600

#### Example # 4

#### Life Settlements for Existing Life Insurance Policies

##### Assumptions:

- Male or female - age 65 and older (age 70 and older will bring higher values when the Life Settlement is calculated)
  - Donor owns Whole Life, Universal Life and/or Term Life Insurance policies
  - Insurance policies are about to expire or go to zero equity value
  - Insurance policies that are up for renewal - at significantly higher premiums
1. We have buyers for those now useless insurance policies.
  2. Your old insurance policies can be converted into an asset that has value.
  3. Contribute your old insurance policy to (Your Non-Profit). The value of that donation is the yet-to-be-determined value of the policy.

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