

Accounting—Gifts may be consolidated into a "general gift planned fund" when consistent with the giver's intent. However, when necessary to comply with the giver's restrictions, planned gifts are accounted for separately (e.g., "named" funds).

Investments—Planned gifts are invested according to the wishes of the giver and in prudent and conservative financial instruments. The Virginia United Methodist Foundation maintains a group of investment funds appropriate for Clarendon's gifts.

Distributions—As part of the annual budget process, the Trustees and Finance Committee, as approved by the Church Council and consistent with fund value preservation, may make a distribution from Clarendon's funds. These distributions, consistent with the giver's intentions, are allocated among the Church's specific mission, operating and capital requirements. Clarendon has found that an annual distribution of up to 6% of initial fund balances has preserved real value for the long term.

Getting Started

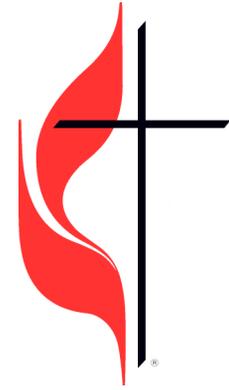
By consulting with Clarendon's Treasurer and/or your financial advisors, a plan can be designed that will provide the maximum advantages for you while creating significant long-term benefits for Clarendon.

Advantages to You

The various types of gifts and their advantageous to you are summarized in the following table.

Type of Planned Gift	How to Make the Gift*	Financial Benefits*
Outright Gift	Donate cash, securities, personal property, real estate or appreciated securities	Income tax deduction; avoidance of any capital gains tax
Bequest in Will	Name Clarendon UMC in your will	A donation exempt from Federal and state estate taxes
Living Trust	Name Clarendon UMC as beneficiary in a living trust	Control of trust for lifetime; possible estate tax savings
Life Insurance Gift	Designate Clarendon as owner and/or beneficiary	Current income tax deduction; possible future deductions
Retirement/Pension Plan Gift	Name Clarendon UMC as beneficiary of the remainder of your plan's assets after your lifetime	Avoidance of heavily taxed gift to heirs, allowing less costly gifts
IRA Gift	Name Clarendon UMC as beneficiary of your IRA or donate funds accumulated in an IRA (over 70.5 years, up to \$100,000)	Not included in taxable income; reduces exposure to estate taxes, counts against minimum distribution
Retained Life Estate	Designate the ownership of your home to Clarendon, but retain occupancy	Charitable income tax deduction and lifetime use of home
Income Plans	Create a trust or third party annuity contract that pays annually to you or to Clarendon	Current and future savings on income taxes; fixed payments for life

*In matters of this kind, it is always advisable to seek professional legal and financial counsel.



Planned Giving

—
**An Invitation to
 Make A Lasting
 Difference In Meeting
 Future Needs**

—
**Clarendon
 United Methodist Church
 606 N. Irving St.
 Arlington, VA 22201
 703-527-8574**

Planned Giving at Clarendon

Clarendon United Methodist Church (UMC) has received several gifts, trusts and bequests of funds, real estate and securities over the years which provide long-term benefits to our ministries, missions and programs.

In this way, our beloved former members and their families have made certain that some of their worldly achievements continue to provide for Christian fellowship, missions and programs!

You can do the same by making a gift now or by including Clarendon in your estate planning. All of Clarendon's planned gifts are received and administered by the Trustees.

A planned gift can be one of the most important aspects of your financial stewardship because it is a gift to the future of Clarendon Church. Planned gifts provide income, financial stability and strength for supporting ministries, outreach, worship, scholarships, youth programs, capital improvements and other Christian endeavors.

Gifts to Clarendon Support Two Broad Purposes

Planned gifts generate income and capital gains which may be distributed annually to support Clarendon's many ministerial, mission, program and capital initiatives.

- **Ministry, Mission & Program Spending.** Distributions may be used to support programs at Clarendon including ministerial, music, youth, worship, and outreach programs ensuring Clarendon's effectiveness for the future.
- **Capital Spending.** Distributions may also be used for improvements to buildings, equipment and grounds preserving Clarendon's facilities for the future.

Planned gifts may be designated for one or both purposes—both types of gifts are needed and welcomed.

Ways to Give

A variety of current or "future" planned gift opportunities are offered for those who are interested in supporting Clarendon's programs. Individuals may make planned gifts through current gifts or deferred gifts such as a bequest in a will or beneficiary designations for life insurance or trust accounts. ***Individuals who are considering a planned gift are encouraged to discuss their personal situations with their legal and financial advisors.*** Various legal documents may require preparation by an attorney.

Clarendon's Treasurer is available for further information and to assist you and your advisors. A plan can be designed that will provide the maximum advantages for you, while creating significant benefits for Clarendon. All discussions will be strictly confidential.

Following are brief descriptions of several methods of planned giving:

Outright Gifts—Your donation of cash, securities or real estate is placed in Clarendon's funds now, where it begins to grow and compound immediately while providing you with a charitable deduction.

Bequests—Your gift of cash, securities, real estate or other property, earmarked in your will or trust for Clarendon UMC provides your estate with a charitable deduction for the value of the bequest and makes a significant positive difference for our future.

Living Trusts—A living trust is an alternative to a will you can administer during your lifetime as your own trustee. A designated "survivor trustee" takes over eventually. Generally, a trust will avoid probate administration, but re-

quires a knowledgeable trustee. You can designate Clarendon UMC as the ultimate beneficiary of part of or all of your trust assets.

Life Insurance—When a donor irrevocably assigns a life insurance policy to Clarendon UMC (as sole beneficiary and owner of the policy), an income tax deduction roughly equal to the cash value at the time of the gift is realized.

Retirement/Pension Plan Gift—Clarendon UMC can be named as the beneficiary of the remainder of retirement or pension plan assets after your lifetime.

Individual Retirement Account (IRA) Gift—Under a new law in 2006, IRAs can be donated to Clarendon UMC.

Retained Life Estate—Designate the ownership of your home to Clarendon UMC, but retain occupancy.

Income Plans—Through the use of a charitable remainder trust, charitable lead trust, charitable gift annuity or pooled income fund, you may make a gift to Clarendon UMC and receive life income for yourself and your spouse or beneficiary. These gifts achieve tax deductions for you, and upon your death, the principal is paid to Clarendon's funds. (These are more complex charitable giving mechanisms.)

How Clarendon Takes Care of Your Gift

Objectives & Administration—Planned gifts are managed by Clarendon's Trustees in accordance with Clarendon's Policy Manual to:

- Comply with the givers intent,
- Preserve the real value (after inflation),
- Provide steady, sustainable, and predictable income to meet mission, capital improvement and operating needs.