The AMBASSADOR

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SPRING 2011

Good Start, Great Finish

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AMBASSADOR ADVISORS

The Ambassador

SPRING 2011

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The Final

Adrian Young, *EVP Financial Strategies*

September 7, 2012... remember this date.

No, this is not another end of the world prediction. But at 6:13 am on September 7, an important countdown will begin.

Back in December of 2010, many individuals, families, and planning professionals were preparing for the federal estate tax to reemerge with a 55 percent top tax rate and a limit of $1 million that one could effectively shelter. Without legislation to the contrary, a multitude of additional families would find themselves affected by this hefty wealth transfer tax at the beginning of 2011. As has become commonplace, however, Congress reached an eleventh-hour compromise to provide many of those exposed to the tax with a two-year reprieve.

This reprieve includes two major components. First, the individual exemption amount was increased to $5 million for individuals and $10 million for married couples. Those taxed will be assessed a rate of only 35 percent. This exemption is the amount of one's estate that can avoid federal taxation at death. Assets passing to a surviving spouse are not subject to federal estate tax and, as such, do not require such a credit.

This exemption amount also equals the total amount of one's assets that can be transferred to another person during life without federal gift taxation being levied. The new law made the lifetime and estate gift exemption (or "credit") unified for planning purposes. Usually, a person can gift $13,000 to another in a given year without being subject to gift tax. Under this law, the lifetime exclusion of $5 million can shield assets gifted above the annual amount. For example, in 2011, an individual could give a gift of $5,013,000 without any tax due, but there would be no exemption left at death. The lifetime and estate gift exemptions are tied together and can be used in any combination up to the single total of $5 million.

l Countdown

The second major component of the new law was the ability for spouses to combine their exemptions to a total of $10 million. Instead of married couples attempting to split their estate assets equally, so they didn't waste any exemption amount that would expire, the new law allows any unused exemption from one spouse to transfer to the surviving spouse. This new "portability" feature will have significant impact on planning.

Unfortunately, however, the benefits of the $5 million exemption and portability are only available for the next two years. Considering that taxes, including federal estate and gift taxes, will most likely increase in the coming years, the time to act is now! Review your planning very soon and examine the merit of using your lifetime gift exemption to benefit future generations.

If you are considering such a gifting strategy for what might be a once-in-a-lifetime opportunity, there are two techniques you may want to consider:

The first technique is gifting portions of a business or other entity into a trust for the benefit of future generations. Ownership interests in an entity can often be carved into controlling and non-controlling pieces. For many, the idea of having control and income, without the majority of the taxable value of the entity in their names is attractive. For example, an $8 million entity that alters its interests in such a way to put all control in 1 percent of the entity could find itself valued at only $6 million for IRS purposes.

If you are considering a gifting strategy for what might be a once-in-a-lifetime opportunity, there are two techniques you may want to consider.

The second technique involves leveraging life insurance to increase the size of one's legacy. Because insurance's death benefit is tax-free, it has long been known to have an internal rate of return greater than most fixed investment vehicles. Depending on the age and health of an individual or couple, a single-premium policy funded with taxable cash and other holdings could purchase a tax-free death benefit worth several times the value of the purchase price. For those interested in creating a lasting monetary legacy, the multiplier effect from life insurance as a leverage tool is hard to beat.

For a husband and wife, using such techniques could shelter $10 million! The last day to implement and fund such a plan is December 31, 2012. If you fail to act upon what has turned out to be a ten million dollar planning windfall, September 7, 2012, at 6:13 am marks the moment where each second until the end of 2012 costs you, your family, and your legacy one of those ten million dollars.

Keeping Your Retirement Accounts On Pace

Curt Stoltzfus, *VP Financial Strategies*

A Roth 401(k) is a relatively new option that some employers offer along with their traditional 401(k). It's basically the opposite of a traditional 401(k) plan: You pay the taxes on what you put in, but not what you take out. So, while it is funded with after-tax dollars, the money grows tax-free and is not subject to income tax on withdrawals.

If your employer offers both types of plans, you can divide your savings between them. The investment options will remain the same, and your combined annual contributions cannot exceed $16,500 in 2011 ($22,000 for people 50 or older).

If your company lets you choose between a traditional 401(k) and a Roth 401(k), try to gauge whether the upfront tax break on the traditional plan outweighs the back-end benefit of the Roth. For example, if you are young or have a relatively small income, opting for a Roth can be a smart move. Yes, you give up the initial tax break on your contributions, but if you're not in a high tax bracket, the tax break wouldn't have been very great anyway. The Roth option will let you avoid taxes when you're retired (sowing now will let you reap then), and you are no longer earning.

On the other hand, if you're in a high tax bracket today, a traditional 401(k)'s immediate tax break may be more appealing than the Roth's deferred gratification—especially if you expect to be in a lower tax bracket when you begin to make withdrawals from your account.

It's always a good idea to make sure your retirement money is tax-diversified—divided among accounts that are tax-deferred until retirement and those that have already sacrificed their "pound of flesh" to Uncle Sam. One way to do that is to use your 401(k) plan as a supplement to your IRA. If you have a Roth IRA, you may want to opt for the traditional 401(k) at work. Likewise, a Roth 401(k) might be a good choice for you if you already have a traditional IRA.

The experts at Ambassador Advisors can help you determine the right tax-diversification mix for your unique situation. Give us a call.

Race Day Weather Report

Drew Kavanaugh, *VP Wealth Management*

There isn't much positive chatter about recent events in the stock market. Reading or watching the news, you wouldn't really get the sense that the S&P500 has increased over 100 percent since its lows in March of 2009. Even though the market has rebounded to its second fastest 100 percent return since—you guessed it—the Great Depression, more emphasis has been placed on the structural deficit of the government, high oil prices, and high unemployment. The news is more focused on the clouds in the sky than the sun shining behind them. Even though these factors do pose a risk to the stock market, focusing on just one positive point, corporate earnings, might bring investors a reason to sleep a little easier at night.

Corporate earnings are close to record high levels. As we have discussed in the past, the credit crisis beginning in 2008 forced companies to pare back spending, reduce unnecessary waste, and become more efficient at their key operating businesses. Now that the economy has improved, companies have continued to operate at high efficiency and are therefore producing record profits. If 2011 corporate earnings estimates hold true, we will surpass the same types of estimates for 2007. All that said, the stock market still isn't close to the highs it reached in 2007. So the question remains: Is the market under, over, or fairly valued?

As investors, we continually measure the stock market by a number of metrics. One helpful metric is the Price to Earnings Ratio (P/E). The numerator (top number), P, is the price of the stock or market you are evaluating. The denominator (bottom number) is the amount of money the company made or expects to make in the prior year (trailing P/E), in the current year (current P/E), or in a future year (future P/E).

$$\frac{\text{Price of Stock or Market}}{\text{Amount of Money Made}} = \text{Price to Earnings Ratio}$$

If we take the S&P500 at its current level, roughly 1,320, and divide that by the earnings of all the companies in the index for 2011 ($96 - $98), the current market P/E is 13.6. Future earnings for 2012 are estimated at $105-$107, giving the market a forward P/E of just 12.

Now that we have a P/E for the market, let's compare it to the average market P/E to determine whether it is relatively cheap or expensive. Over the lifespan of the S&P500, the average P/E multiple has been right around 15. In order for the current market to reach its historical average, one of two things must happen: either prices must increase or earnings must decrease. Given the current environment—low personal tax rates, low capital gains rates, paltry interest earned on checking and savings accounts, record high corporate earnings, low corporate bond yields, a resilient consumer both here and abroad, etc.—we believe the chances of the market prices increasing are much *greater* than earnings decreasing.

So, while the market has grown exceptionally over the past two years, there is still "a ways to go." With confidence, we can guarantee that the markets will not get higher in a straight line. There will be bumps and dips along the way. However, as always, we believe that with proper diversification and allocation, we can help you reach the finish line—whether it's retirement, education, or just saving for a rainy day.

SOURCES:
JP Morgan 1Q 2011 Guide to the Markets
http://www.wisdomtree.com/library/pdf/schwartzcommentary/WT_Research_Commentary_Feature.pdf

Protecting *your* Tree *of* Wealth

Part 3 of 3

AN INVESTIGATION INTO INTERGENERATIONAL WEALTH

This is the last of three articles examining the passing of wealth through multiple generations. In the first article, "An Investigation into Intergenerational Wealth," we examined how the Seed of Opportunity can spring into life and become a Tree of Wealth. After that, we looked at the "Elements and the Tree of Wealth" and reviewed what it takes to grow your seedling into a tree that bears high-quality fruit. In this last article of the series, we will discuss in more detail the importance of rich soil, as well as the choices we all face when predators or pestilence threaten our Tree of Wealth.

Bernie Bostwick,
EVP Business Development

Rich soil is a vital component needed to create the foundation of life for a tiny seedling to mature into a strong tree. Jesus paints this image in the book of Mark. The parable of the sower depicts a farmer that went out to sow his seed. Some seeds fell along the path, and the birds came and ate them up. Other seeds fell on rocky places, without much soil. As those seeds grew, the plants quickly died because the soil was shallow and it could not take root. Still other seeds fell on good soil. As those seeds sprouted, they produced a crop, and multiplied thirty, sixty, or even a hundred times.

Other seeds fell on good soil. As those seeds sprouted, they produced a crop, and multiplied thirty, sixty, or even a hundred times.

The same is true when growing the Tree of Wealth. The soil is of paramount importance and is represented by your family values—cherished beliefs about life, work, family, spirituality, and money. These are the important nutrients that enable the roots to grow deep and strong. The fruit that grows from this tree is partly monetary wealth, but it is also the emotional, relational, and spiritual blessings that you bestow upon your family. When the fruit falls each year, it is absorbed back into the ground and utilized by the roots. This process is helpful in the continued enrichment of the soil.

After all the care you've taken to plant the seed in good soil and expose it to all the necessary elements, how do you protect the tree from predators and pestilence? You protect your tree of wealth with the choices you make in your estate plan and intergenerational communication. When pestilence strikes or when one begins to prepare for the predators of taxation and long-term illness, basic estate planning is a very common "solution." Completing these base strategies, however, is equivalent to cutting down your tree and moving it to "safety" in an effort to protect it. True, the fruit for this generation might be salvaged, but the tree will never produce another harvest. By the third generation, what once was your legacy is but a faint memory.

For those desiring a longer-lasting legacy, advanced planning strategies exist. These strategies enable you to transplant the tree with its roots intact. This concept sets the stage for allowing the tree to last for multiple generations. But if you do not find adequate soil to transplant the tree of wealth, the tree will wither and die (like the seeds falling on the rocks). The fruit may not be gone after the second generation, but it almost certainly will be after the third. A legacy is still lacking.

Communication and the sharing of cherished core beliefs are essential to enriching any soil and ensuring lasting growth. If the roots (family) are not nourished and reminded of what the tree represents, the tree will wither and die. At Ambassador Advisors, we have developed a family heritage retreat to help families interested in mastering the communication and sharing aspects of leaving a lasting legacy. This program engages our advanced planning team coupled with a family wealth psychologist to help make sure that the soil for the tree of wealth is nutrient-rich, regardless of the planning that is put into place. This truly is the only way to ensure that family wealth is sustained beyond the third generation.

Every family is different, and complexities differ, too. One thing is clear: If you desire to sustain growth for multiple generations, you must communicate the ingredients of your soil. If you haven't engaged in a course of action with your family, we encourage you to do so. We are here to help you through this process. If you wish to take your family through our Family Legacy Discovery process, contact us. Strive to make your Tree of Wealth a tree that will grow to heights unimaginable with roots that grow ever stronger—because of the good soil you've helped to cultivate.

The ABCs of HSAs

Daniel R Bailey
Client Relations

In the early 1990s, the US Government approved a new health insurance program for self-employed individuals called the Medical Savings Account (MSA). It had many restrictions. First of all, it had to be part of a specific type of medical insurance called a high deductible health plan (HDHP). Second, it restricted how much could be deposited into the MSA. The savings element of the MSA typically involved checking accounts for the insured to make deposits based on a variety of factors, such as family status and the plan deductible. The deposits were tax-deductible, growth in the account was tax-deferred, and withdrawals were tax-free if used for qualified medical expenses.

The Medicare Prescription Drug Improvement and Modernization Act of 2003 expanded the use of such plans, creating Health Savings Accounts (HSAs) that are more flexible and readily available. Every American can have greater control over individual medical insurance premiums and gain greater tax deductibility for out-of-pocket medical costs with an HSA. The combination works as follows:

A The insured **chooses a qualified high deductible plan (HDHP)** that meets his needs. This usually includes choosing a deductible (at least $1,200 for singles and $2,400 for family coverage), benefits, and premium. Generally speaking, these plans are more "bare bones" than other plans on the market. They often carry a single deductible that the family must meet before any benefits are paid. Prescriptions are usually part of the overall plan, instead of having a separate drug card. Today, some plans are adding office co-pays and options for dental and vision benefits.

B Once the HDHP is in place, the insured **sets up a qualified Health Savings Account (HSA)**, usually a debit account through the insurer or a checking account at her local bank. It is this piece of the puzzle that makes the program so attractive. The HSA offers the following benefits:

1. The insurance holder's contributions are tax-deductible with no income restrictions. Without this combination, medical expenses are only tax-deductible if the total of unreimbursed medical expenses is above 7.5 percent of adjusted gross income and the tax filer's other itemized deductions total more than the standard deduction. This is often a difficult threshold to exceed.
2. In 2011, the insured can contribute up to $3,050 for singles and $6,150 for families. The limits are not based on the deductible selected.
3. For the account owner who is 55 or older, the IRS has a "catch-up" provision allowing for an additional $1,000 deposit to the HSA each year.
4. Withdrawals are tax-free for qualified medical expenses. This provision includes medical expenses not covered by the HDHP (e.g., vision and dental) as well as expenses that went toward the deductible.
5. The account is controlled by the insured. The account holder retains any funds in the account at the end of each year.
6. Some financial institutions allow the account owner to invest some of the funds in various mutual funds. Money can be moved back and forth as needed. Interest and profits earned are tax-deferred.
7. Although contributions can no longer be made after the HDHP terminates, the HSA can be used for qualified medical expenses for the insured and can even pay the premium on Long Term Care insurance.
8. If the HDHP is employer provided, the employer can make contributions to the employee's HSA, up to the established limits. Those contributions are tax-deductible to the employer and tax-free to the employee.

C Perhaps the most attractive feature of the HSA is that it **allows the insured to have more control over premiums**. Medical insurance premiums can sometimes rise fifteen to twenty-five percent in a year. Most insurance companies will allow the insured to raise the deductible upon renewal as a way to "hold the line" on premium increases. For the person who has contributed to his HSA, but not used all of the funds, it may make good financial sense to increase the deductible on their HDHP—since they already have the funds to cover that higher deductible. Sometimes, however, the savings in premium is not worth the additional risk being taken, so use caution before making such a change. It should also be noted that the HSA cannot be used to pay the premiums of the health plan.

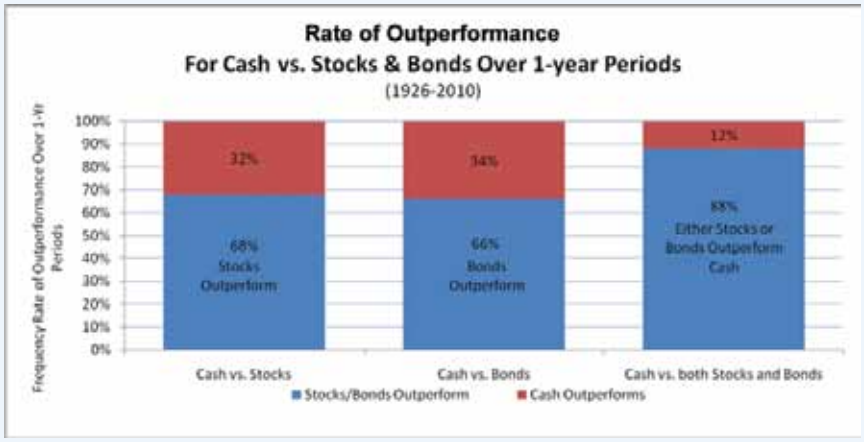
Health Savings Accounts are not for everyone. Under the right circumstances, they can give the insured lower premium costs and more freedom to get needed medical care. As with any financial decision, one should weigh the costs when comparing HSAs. Medical plans should be examined closely to make sure that they meet the needs of the insured.

Health care is still in the midst of big reform, and not all the details are finalized. The combination of HDHP/HSA may not exist in the future, but for now it is still a way, in some circumstances, to maximize medical benefits while minimizing out-of-pocket insurance costs. Call your Ambassador representative today to explore the possibility of HSAs for you.

When "Riskless" Investments Pose the Biggest Risk

Robert Kauffman, *President*

Those tasked with predicting stock and economic movement may have never had as difficult a job as they do today. For every person who believes that normal economic recovery is just around the corner, there is another who believes that total economic meltdown is every bit as likely. Such disparity in opinion is very surprising, especially when the time frames on both predictions are not that far apart. I can safely say that I cannot recall a time when views on short-term events were as polarized as they are today.



So, what is an investor to do? I'm sorry to say that there really aren't too many choices. Taking the history of the American economy into account, one can see that we have always rebounded from recession, including record debt loads from WWII and Vietnam. According to that precedent, recent events are not necessarily a sign that the capitalist system is staged to collapse for good. All past evidence says that our system is cyclical—growing for four to six years, prior to a temporary decline. An investor must be prepared to weather this temporary storm and be ready for the inevitability of another.

In a recent installment, I discussed the woes associated with owning real estate as an investment alternative. The real estate market is still in tatters and is, therefore, not the safest place to put your money. Today, I'd like to look at our "riskless" investment alternatives. Money markets, savings accounts, and short-term treasury bills are all liquid and act like cash. Today, as you are likely aware, they pay less than a percent or two. For those who are waiting for the impending economic meltdown mentioned above, they can count on tiny returns in the world of riskless investments. Today, riskless is synonymous with return-less.

Let's look at a person retiring with a sum of money as large as $1 million. If that retiree insists upon a riskless investment that maintains its liquidity, he will not likely earn more than two percent for the foreseeable future. His annual investment income will total about $20,000. Is this enough to adequately supplement the retiree's income and to keep him from depleting his principal for living expenses? In all likelihood, it cannot work for long, as the costs of goods and services are sure to increase.

So, what is the solution? It's the same advice I've given for 35 years of economic ups and downs. Stay diversified. Maintain a good balance in your holdings. Make regular adjustments that take advantage of the "emotional" part of the market that creates improper pricing (much like some think we are going through now). Live within your means and don't take too much from your holdings. And, of course, use an investment professional to get quality counsel and timely advice.

As always, the more things change, the more they stay the same.

Drawing On Solid Principles

How to Appraise Your Business—in Plain English

GUEST COLUMNIST
Todd L. Harrington, *CPA, CVA, Partner at Trout, Ebersole & Groff LLP*

As a business appraiser, business owners often ask me to give them a "quick, rough estimate" of their business's value. In my profession, these sort of "back of the napkin" business valuations are not only frowned upon, but are also explicitly prohibited. So, rather than scratching out numbers on the back of a napkin for them, I try to explain exactly how a business comes to be viewed as valuable. If you can understand that, you can usually determine how much someone would be willing to pay for it. What follows is a look into the perspective of your business's potential buyer.

To understand the value of your business you must understand how much net cash is or could potentially be generated.

The key word in business valuations is "cash." Not net income, not book values, and not momentary goodwill. To understand the value of your business, you must understand how much net cash is or could potentially be generated. The average buyer simply wants to know how much cash he or she will pocket at the end of each year.

To evaluate that, you must first determine who your potential buyers are. Different buyers have different motivations and expectations. A current employee interested in succession usually anticipates about the same amount of cash in his pocket that you currently get, and that is what he bases his purchase price on. An outside buyer may have a more strategic interest in your business, which can increase the cash flow dramatically. Strategic buyers usually come from within your industry (a competitor, supplier, etc). Who would most likely be interested in purchasing your business?

After you determine who's buying, take a look at cash flows. What was your net income last year? Informed buyers will often take your net income and remove any non-cash and non-operating items such as depreciation, interest, and income taxes to arrive at EBITDA (earnings before interest, taxes, depreciation, and amortization). The buyer will adjust EBITDA based on expected debt service, income taxes, and annual capital expenditure requirements to estimate projected cash flow.

Next, the potential buyer will look at risk. The riskier the business, the less the buyer will be willing to pay. Generally, smaller companies have more risk than larger companies, which tend to be more diversified in products, geography, and customer base. The buyer will not buy your business if it is possible to invest in a similar business with less risk.

The next step for this hypothetical buyer is to determine what his return on investment will be. In our valuations, we often use historical data from publicly traded stocks, which are then adjusted upward based on the risks of the small business. Expected returns for small businesses normally fall in the range of 15-25 percent. This estimated return can be converted into a cash flow multiple by dividing it into 1. For example, if the expected return is 20 percent, then the cash flow multiple is 5. Therefore, if the expected cash flow from your business (after tax) is $500,000 per year, then the estimated value of your business would be $2.5 million ($500,000 x 5). Just remember, most buyers will not assume your debt. Be sure to subtract whatever you owe to the bank or other lenders from this value to accurately determine your profit.

That's how a buyer thinks about the value of your business. I hope you find this more helpful than chicken scratch drawn on the back of a napkin!

John T. Lauer, II,
VP Retirement & Pension Strategies

Decoding the Mysteries of Employee Retirement Plans

Since the Pension Protection Act of 2006, the retirement plan marketplace has undergone some of the most sweeping government regulations since ERISA was enacted in 1974. Items like the QDIA (Qualified Default Investment Alternative), Investment Policy Statements, Auto Enrollment, Full Fee Disclosures, and Fiduciary Standards have made it more difficult for employers to keep up and comply with the changes designed to protect individuals and encourage retirement savings.

Understanding the importance of fiduciary responsibility should be one of the most important roles for a retirement plan sponsor/employer. This responsibility calls on employers to make decisions that are in the best interest of employees. These decisions start with how the plan is designed and include the cost structure and performance of the investment options inside. Full fee disclosure has been the most recent topic to hit the headlines. Do you truly understand the following terms?

- **Commission**
- **Sub-Transfer Fee**
- **12b-1 Expense**
- **Expense Ratio**
- **Group Variable Annuity**

In the coming months, the shroud of mystery surrounding these terms is set to be lifted by the government so that every person working with a retirement plan will able to understand and see their effects.

At Ambassador Pension Consultants, we offer a comprehensive plan level review/ERISA audit to our clients and potential clients. This review will assist you in addressing any shortfalls your plan may have and make you aware of any issues that should be reviewed with your current provider.

By taking time now to sit down and review your current plan, you could potentially save money for yourself and your employees in the future. Our ability to work with any retirement plan provider ensures our opinions are unbiased and focused on what is best for the business and employees. We can help you make sure you have the most efficient and effective plan available at a reasonable cost.

YOUR NONPROFIT MINISTRY & AMBASSADOR ADVISORS:

Forging a Trusted Partnership

Not Just For the Individual Investor

Did you know that Ambassador Advisors, LLC, helps guide many nonprofit organizations with their stewardship strategies? Our team of experienced wealth managers and legacy specialists brings a well-balanced, ***stewardship-centered approach*** to the implementation of planned giving strategies.

Every nonprofit organization is unique, and Ambassador Advisors can tailor services to fit the particular needs of your donors and your planned giving program.

Blessings That Secure a Healthy Tomorrow

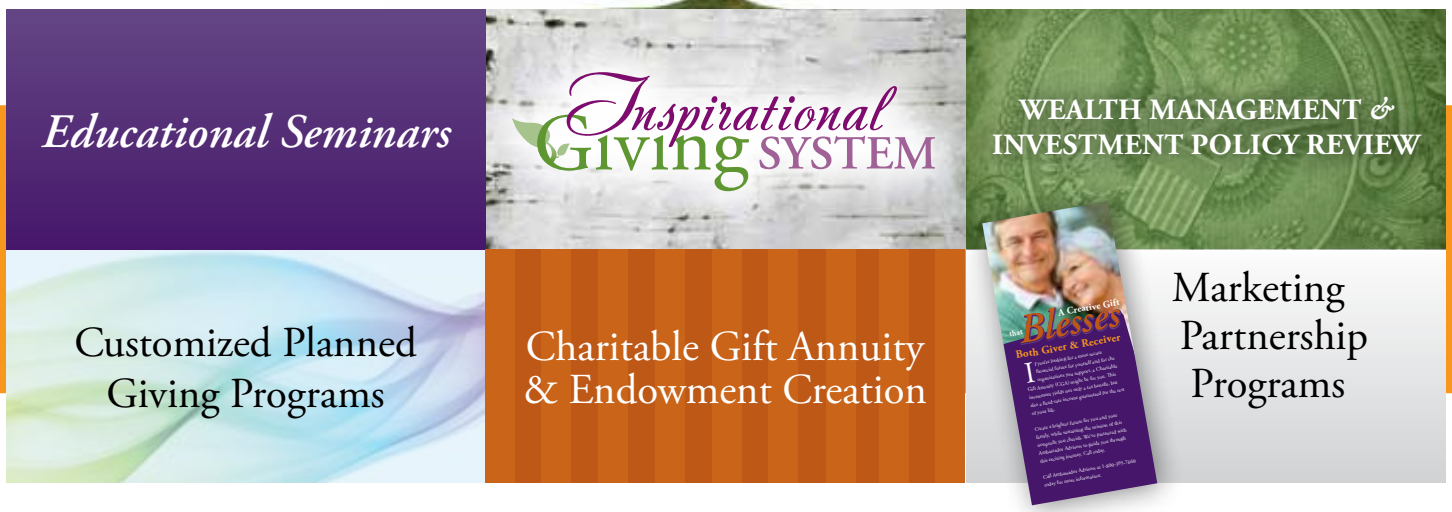
Over 90 percent of donor wealth is comprised of appreciated property like real estate, stocks and bonds. Does your ministry have the strategies in place to capitalize on this abundance? Our services as specialized consultants can augment your existing planned giving efforts, or they can build the framework for a new planned giving endeavor.

Our strategies include the constant marketing efforts that are required for your ministry to stay in the forefront of donors' minds when they are considering planned gifts. Additionally, our highly-credentialed team is ready to help you if you are not yet equipped to maximize these noncash gifts. By bringing our expertise to the table, you can focus on caring for your donors and realizing your mission's goals, while we work with you to help enhance your organization's long-term sustainability.

How can Ambassador Advisors help us?

- Educational Seminars
- Exclusive *Inspirational Giving System* program
- Wealth Management and Investment Policy Review
- Custom Planned Giving Programs
- Charitable Gift Annuity & Endowment Creation
- Marketing Partnership Programs for the web, direct mail, brochures, newsletters, email blasts, receipt stuffers, and more!

A healthy and growing planned giving program can help ensure your ministry's longevity!



INTRODUCING...

Planned Giving SCORECARD

Assess Your Nonprofit's Legacy Potential

Are you poised to take your organization's giving program to the next level? Do you wonder if you are ready to begin or, perhaps, improve upon your efforts in ensuring your place within your best donors' legacies? What are the indicators you should be seeking within your organization to accomplish this task?

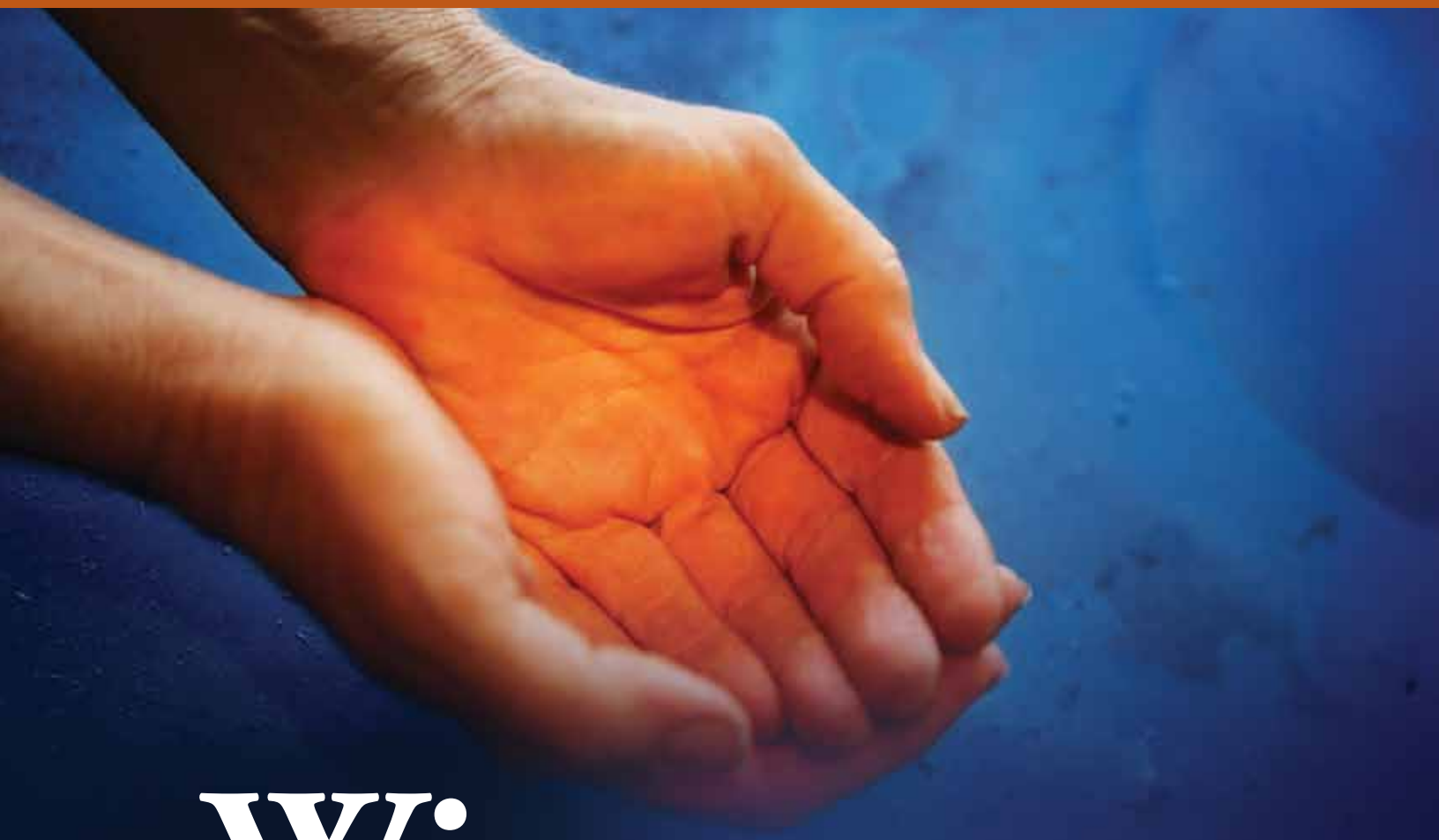
The tools to answer these questions are within your grasp. Ambassador Advisors is pleased to offer our exclusive ***Planned Giving Scorecard***. This online assessment tool can easily be completed by your executive staff, development staff, board members, and other select individuals to efficiently evaluate your readiness to embark on a new—or to advance your current—planned giving program.

Are you poised to take your organization's giving program to the next level?

From your group's answers to fewer than 25 easy-to-understand questions, we can chart your nonprofit's perceptions about, preparedness for, and potential to succeed with a planned giving program. **As a bonus**, we will share how your organization compares to other nonprofits in the region. This benchmarking will be an additional way we can help you evaluate your potential for success.

After an analysis and presentation of the results gathered through the ***Planned Giving Scorecard,*** we will craft recommendations that correspond to your current strengths and challenges. From these outcomes and conversations, we can customize a planned giving program and action plan to fit your needs and goals.

Please contact Bernie Bostwick at 800.395.7660 or *bbostwick@ambassadoradvisors.com* to see if the Planned Giving Scorecard is right for your organization.



Wise Strategies for Giving to Your Favorite Charitable Organization

Did you know that if you qualify, you can avoid paying tax on your IRA distributions? Gifts to your favorite nonprofit organization of up to $100,000 from a traditional IRA are not subject to income tax. The IRA Charitable Rollover and other critical giving incentives have been reinstated through 2011 as part of the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010. You must be at least 70.5 years of age, and your custodian must directly transfer these funds to your chosen charity.

You should also consider naming your favorite charity as a beneficiary of a portion of the amount left in your IRA at the time of your death. This type of planned gift will shield your heirs from death taxes on the assets, as well as the income tax due on IRAs by your beneficiaries.

To talk more about giving from your IRA or other tax-wise strategies for charitable giving, please contact Ambassador Advisors at 717-560-8300 or *info@ambassadoradvisors.com.*

STRATEGY #1

Giving from Your IRA

We will feature a different strategy for wise giving to your favorite charitable organizations in each upcoming issue of *The Ambassador.*

Taking It to the Streets

Open Air Campaigners

It's easy to appreciate what you believe. But it's not easy to put your money—or your time—"where your mouth is," by proclaiming that truth to the rest of the world. To work against this introverted tendency among Christians, Open Air Campaigners (OAC) has spent over 100 years training believers to pursue creative, effective methods of sharing the Gospel in public places.

The Open Air method is powerful in its simplicity: Volunteers "set up shop" in a park, campus, or other public location and openly teach the gospel to anyone who will listen. To draw an eager crowd, OAC will often use creative visuals to illustrate their message. The use of "sketchboards" is probably the oldest and most common technique from the ministry's history.

In Philadelphia, for instance, OAC sets out during the afternoon around Gallery Market. When large crowds congregate for their daily lunch hour, the volunteers set up their sketch boards and begin to draw. As curious onlookers gather, the presenters begin to walk through the Gospel, ultimately speaking one-on-one with whoever would like to learn more.

Since the ministry's founding in the late nineteenth century, OAC has always sought the most direct route to sharing the Gospel—while always on the look out for new outreach opportunities. In response to a growing need for child-focused outreach, for example, the ministry has begun successfully gearing some of its presentations toward kids—which even tends to draw their parents as well!

Open Air Campaigners has worked with Ambassador Advisors now for several years. "Ambassador has been a huge help to us in strategic planning and has helped with our 401 financial planning," said Bob Ewerth, Personnel Development Director, at OAC's Philadelphia location. If you would like to do your part to further the OAC mission, the ministry would welcome you to pray, donate, and, of course, take part in one of their numerous events in the fresh, open air.

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Planned Giving SCORECARD

Assess Your Nonprofit's Legacy Potential

Helping you to Dream More, Plan More, *Do More*®

- **What is the "right" amount of insurance for a stay-at-home parent?**
  Quantifying this amount may be more difficult than you think. How much would you have to pay an outside provider for the services performed daily?
- **How do you plan for and manage your kids' college years?**
  College costs may be rising well beyond the rate of inflation, but a little homework and planning can help you meet the challenge.
- **What do mahogany, gourmet desserts, and fresh paint have in common?** *(Answer coming in our next issue!)*

Call today to see how we can help empower you to secure a sound financial future.

1.800.395.7660 or 1.717.560.8300