Central Africa Baptist University
Training Servant Leaders

A Christian's Will

Your Final Act of Stewardship

"A prudent person foresees danger and takes precautions."
Proverbs 27:12

INSIDE THIS GUIDE

- Why Every Believer Should Have a Will
- Including Your Christian Testimony
- Structuring Your Estate
- Distributing & Educating Wisely
- Tax-Smart Ministry Giving
- Protecting Your Family's Future

ESTATE PLANNING
RESOURCE GUIDE

Booklet 1

CABC USA, INC.
Partnering with Central Africa Baptist University

The Importance of Planning

Why Every Believer Should Have A Will

As stewards, we are called to plan wisely for the future. God's Word is clear that a prudent person is proactive rather than reactive – seeing potential dangers ahead and taking refuge, while a foolish person ignores reality and suffers the consequences (Proverbs 22:3; 27:12). This is not merely sound financial advice, it is a spiritual calling rooted in the character of God Himself, who is the ultimate Planner and Provider.

As followers of Christ, we recognize that we are stewards of God's wealth, not owners, and that distinction shapes everything about how we give. A Christian's Last Will and Testament, therefore, represents our **final act of stewardship**. It is the last statement we make about what we believed and how we lived. The question every believer must ask is: Does your faith and testimony shine through in your Will?

> *"A Christian's Last Will and Testament represents our final act of stewardship — the last statement we make about what we believed and how we lived."*

What Is a Will — and Why Does It Matter?

A Last Will and Testament is a legal document that expresses your wishes regarding the distribution of your assets and the care of any minor children after your death. Without a Will, your estate is governed by state law, and the state's priorities may be very different from yours. Ministry, church, and charitable giving have no place in a state's default distribution plan.

60% +
of Americans have no Will at all

18 mo.
avg. time before a financial windfall disappears

$0
left to ministry when no plan is made

◆ **STARTING POINT**

If you do not yet have a Will, the single most important step you can take today is to contact a licensed estate-planning attorney. Even a simple Will is infinitely better than none. Many attorneys offer a basic Will for a few hundred dollars, a small investment for profound peace of mind.

Including Your Christian Testimony

Let Your Will Reflect Your Faith

Most estate-planning documents are purely legal and financial in their language. But a Christian has an extraordinary opportunity to begin their Will with a Christian testimony and a challenge to their family to manage their inheritance wisely. This opening statement is called a preamble and becomes a final, written witness to the grace of Jesus Christ in your life.

SAMPLE PREAMBLE — A Christian Testimony in a Will

I, John L. Smith, of Berks County, Pennsylvania, realizing the uncertainty of this life and with complete confidence and trust in my Lord and Savior, Jesus Christ, who said: "I am the resurrection and the life; he that believeth in me, though he were dead yet shall he live; and whosoever liveth and believeth in me shall never die" (John 11:25), believe that Jesus Christ died for my sins on the Cross and shed His blood as an atonement for my soul. I also know that because of my faith in His sacrifice on the Cross for me, I have eternal life.

Referring to Deuteronomy Chapter 8 of the Holy Bible, which says in part: "Beware that thou forget not the Lord thy God. But thou shalt remember the Lord thy God, for it is He that giveth thee the power to get wealth." I request that my heirs remember that everything they have is a trust from Him, and they are only stewards of what He has given them. I pray they will be good stewards.

▲ *Customize this language with your attorney to reflect your personal faith story.*

You are not required to use legal jargon in a preamble. Write from the heart. Speak plainly about what you believe and why. Future generations reading your Will may come to faith through the words you leave behind.

A Challenge to Your Heirs

A personal challenge to your children and grandchildren to manage their inheritance as faithful stewards is your opportunity to remind them that material wealth is temporary while the work of the Kingdom is eternal. Point them to the ministries and causes that shaped your own giving during your lifetime.

> *"Future generations reading your Will may come to faith through the words you leave behind."*

Structuring Your Estate

Key roles and decisions

Four Critical Roles in Your Will

1. **EXECUTOR**
This person works with an attorney to settle your estate through a process called probate. Usually, the spouse serves as executor, but a backup is necessary—this could be an adult child, other family member, or trusted friend.

2. **TRUSTEE**
Required if you have minor children, a disabled child, or a spouse who needs financial oversight. A trustee invests funds and makes disbursements according to your Will's instructions. Choose someone with integrity and financial wisdom.

3. **GUARDIAN**
Typically, the surviving spouse continues caring for any minor children. However, if both parents die in an accident, a backup guardian is essential. Choose a family member who shares your beliefs and can genuinely love your children. Be thoughtful about naming aging parents who may no longer be able to provide adequate care and oversight.

4. **BENEFICIARIES**
The individuals or organizations who receive your assets. These include your spouse, children, grandchildren, and churches and ministries you wish to support as part of your final stewardship.

The Memorandum Clause For Personal Property

This provision allows you to include a separate list of tangible assets (jewelry, collectibles, furniture, cars, antiques, coin collections, etc.) and name who should receive them. The beauty of this approach is that you can update this list at any time without using an attorney, avoiding the cost of a codicil or a new Will.

THE SELF-PROVING AFFIDAVIT

A self-proving affidavit is a notarized document attached to your will, signed by you and your witnesses under oath. It streamlines the probate process by eliminating the need for witness testimony, helping save time, money, and reducing potential legal challenges.

While older wills without this affidavit remain valid, courts must track down witnesses for signatures—a time-consuming and expensive process that's easily avoided by including the affidavit initially. If applicable, it may be helpful to review your parents' Wills to see whether a self-proving affidavit is included, as this can affect you, the beneficiary.

Distributing & Educating Wisely

Staggered inheritance planning and Christian education decisions

Distributing to Children Wisely

While age 18 is the legal threshold for adulthood, most young adults lack the maturity to manage a significant inheritance wisely. Studies show that when someone receives a financial windfall, it's often gone within 18 months. Consider spreading out the distributions to give your children time to develop financial wisdom.

AGE 21
Distribution 1
Early Adulthood

→

AGE 25
Distribution 2
Growth Years

→

AGE 30
Distribution 3
Full Maturity

Each distribution milestone rewards maturity, not just age.

Critical Decisions for Your Will: Education

Education decisions belong in your Will — or in a clear letter of instruction to your Guardian. How your children are educated reflects your deepest convictions. Don't leave these choices to chance or to a court.

◆ FOR SCHOOL-AGE CHILDREN

- *Is Christian education a conviction for you or just a convenience?*
- *Will your Guardian keep your children in a Christian school, or allow them to attend elsewhere?*
- *A Christian school is more than academics — it is daily discipleship. Have you made that expectation unmistakably clear?*
- *Have you set aside funds specifically designated for Christian school tuition — or will cost make the decision for your Guardian?*

◆ FOR HIGHER EDUCATION

GUIDE TOWARD ALIGNED INSTITUTIONS
You may want to direct your children toward specific colleges, universities, or trade schools that align with your values and faith convictions, while keeping your costs in check.

REQUIRE FINANCIAL CONTRIBUTION
Research shows that students with "skin in the game" demonstrate greater focus and commitment. Some parents will pay 80% of tuition, room, and board fees, while leaving 20% to the student.

BALANCE SUPPORT VS. RESPONSIBILITY
Full coverage is not always the greatest gift. Teaching financial stewardship early is one of the most enduring legacies you can leave.

Tax-Smart Ministry Giving

Two primary approaches to estate-based ministry giving

When structuring your estate, the first decision is designating a **primary beneficiary**. Most wills give everything to the surviving spouse first, and if your spouse has predeceased you, the estate typically passes to your children or other relatives. For many believers, this is also where they add a **Christian ministry** to their estate plan. There are two primary approaches:

OPTION 1

Name Ministries Directly in Your Will

This is the most common and straightforward approach. Many **choose to give 10%** of their estate to their church and other ministries, or they **treat ministry as an additional child** in the distribution. For example, if you have four children, you might divide the estate into five equal portions, with your church or ministry receiving one-fifth.

The downside: If a church or ministry drifts from God's Word and no longer holds to biblical truth, you'll need to seek out an attorney to add a codicil (amendment) or draft a new Will. This takes time and costs money.

OPTION 2 ★ Often Best

Use Retirement Accounts

Designating your 401(k), IRA, or annuity to benefit ministry is often considered the most tax-efficient giving strategy. Ministries pay no income taxes on gifts, but your children will pay taxes at their highest rate on any distributions from these tax-deferred accounts.

The advantage: Changes are simple and free—just the cost of a postage stamp. You can specify a dollar amount or percentage for one or more ministries by updating the beneficiary designation form. This flexibility allows you to adjust your giving without attorney fees.

Framework for Ministry Giving

There is no universal formula — but many committed believers use the following as a starting framework when drafting estate giving plans:

Give 10% to Ministry
Calculated as a fixed percentage of the estate.

OR

Give 20% to Ministry
Calculated as an additional child.
(In a family of four, the ministry becomes the fifth heir, each receiving 20% of the estate.)

◆ **TAX IMPACT COMPARISON — $100,000 IRA BEQUEST**

To Your Child
Gross: $100,000. |. Taxed at heir's rate
Net: ~ $70,000

To A Ministry
Gross: $100,000. |. No income tax owed
Net: $100,000

Protecting Your Family's Future

Strategies to Avoid or Minimize Probate

Probate is the legal process by which a court validates a Will and oversees the distribution of an estate. It typically takes several months and can be laborious. Attorney fees are always negotiable — some charge hourly, others a percentage of the estate. The executor is entitled to the same fee structure for their work. Probate isn't evil, but it is time-consuming and expensive. Court fees are usually several hundred dollars, but the real cost comes from attorney fees, which you can reduce by strategically titling accounts.

> *"Key principle: Anything passing through a Will must go through probate. The goal is to have assets transfer around the Will — not through it."*

Four Strategies to Reduce Probate Costs

There is no universal formula — but many committed believers use the following as a starting framework when drafting estate giving plans:

1 **TRANSFER ON DEATH (TOD) DESIGNATIONS**
For non-retirement invested assets — stocks, bonds, mutual funds, brokerage accounts — add "TOD" designations directly on the account. This names beneficiaries who receive the assets immediately upon your death, bypassing probate entirely. Example account title: John and Mary Smith, JTWROS; TOD: Matthew, Mark, Luke, and John Smith. NOTE: Retirement accounts (401k, IRA, annuities) already use beneficiary designations, so TOD is not necessary for these.

2 **TOTTEN TRUST – PAYABLE ON DEATH (POD) FOR BANK ACCOUNTS**
A Totten trust allows bank account assets to transfer immediately to beneficiaries without probate. It's simple, inexpensive, and fully revocable during your lifetime. You maintain complete control: deposit, withdraw, or change beneficiaries at any time. Beneficiaries have no access until your death. Setup is easy: just designate an 'in trust for' beneficiary at your bank. **Important consideration**: Ensure sufficient funds remain available (or pass through the estate) to cover final expenses – funeral costs, burial, outstanding debts, and tax returns. Otherwise, heirs must contribute from their own funds. Use this method for larger CDs or bank balances, not every day checking.

3 **REAL ESTATE DEED TRANSFERS**
Several states allow TOD designations to be added directly to real estate deeds, allowing property to pass to heirs outside of probate. Consult with a local estate attorney to determine if this option is available in your state and whether it is appropriate for your situation.

4 **JOINT TENANCY WITH RIGHT OF SURVIVORSHIP (JTWROS)**
Assets titled jointly with rights of survivorship pass automatically to the surviving owner at death — no probate required. This is most commonly used between spouses, but can be structured with other heirs as well. Be thoughtful: adding children to accounts has tax and creditor-protection implications.

Your Estate Planning Checklist

Practical action steps for faithful stewardship

Use this checklist as a practical guide as you work with an estate-planning attorney. No plan is perfect, and your plan will evolve over time. What matters is that you begin — and that your planning reflects your faith and values.

- ☐ **DRAFT OR UPDATE YOUR WILL**
  Work with a licensed estate-planning attorney. Ensure your preamble includes your faith testimony.
- ☐ **NAME AN EXECUTOR**
  Choose a trusted person to settle your estate. Name a backup in case your first choice is unable to serve.
- ☐ **NAME A GUARDIAN**
  If you have minor children, name a guardian who shares your Christian values and can genuinely care for them.
- ☐ **ESTABLISH A TRUST IF NEEDED**
  If you have minor children, a disabled dependent, or significant assets, a trust may be appropriate.
- ☐ **REVIEW BENEFICIARY DESIGNATIONS**
  Update 401(k), IRA, life insurance, and annuity beneficiaries — these override your Will.
- ☐ **ADD TOD TO INVESTMENT ACCOUNTS**
  Apply Transfer on Death designations to non-retirement brokerage and investment accounts.
- ☐ **INCLUDE A MINISTRY BENEFICIARY**
  Name your church, CABC USA, Inc. or another ministry in your Will or retirement account beneficiary forms.
- ☐ **CREATE A MEMORANDUM**
  List tangible personal property and designated recipients — update it freely without attorney fees.
- ☐ **CONSIDER STAGGERED DISTRIBUTIONS**
  Build in age milestones (e.g., 21, 25, 30) for children's inheritance to encourage financial maturity
- ☐ **REVIEW EVERY 3-5 YEARS**
  Major life events (marriage, birth, death, move, law changes) warrant a review of your entire plan.

"Honor the Lord with your wealth, with the firstfruits of all your increase."
Proverbs 3:9

Your Will is your final opportunity to honor this command.

A Final Act of Stewardship

Your Will is more than a legal document.

It is a testimony of your faith and values that will speak to your family after you're gone. By planning wisely and incorporating your Christian convictions into your estate plan, you fulfill your calling as a faithful steward and leave a lasting spiritual legacy.

Ready to take the next step?

If you haven't created a Will yet, or if your existing Will needs updating, we encourage you to take action soon. Consult with a licensed estate-planning attorney in your area to ensure your wishes are properly documented and your final act of stewardship honors God.

For additional information or a list of attorneys in your area, please contact the author below. He would be honored to walk alongside you in this important planning process.

Roy L. Russell, CKA
Senior Strategist for Major Gifts and Donor Wealth Advisory
610.413.1328
RRussell@CABUniversity.com

CABC USA, INC.
The North American Partner of Central Africa Baptist University
Advancing the Gospel By Investing in the Next Generation of Ministry Leaders Across Africa