



The Good Shepherd Fund

Serving individuals with developmental disabilities and their families



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SPECIAL NEEDS TRUSTS



CONSERVATORSHIP/GUARDIANSHIP



ESTATE PLANNING



Welcome to the Good Shepherd Fund

Founded in 1970, The Good Shepherd Fund is a 501 (c) 3 California non-profit corporation governed by a 13- member volunteer Board of Trustees. Individuals currently serving on the Board include the following areas of expertise: legal, banking, real estate finance, investment, and management. A number of Trustees have a family member with developmental disabilities.



The Fund acts as trustee of special needs trusts, including "d(4) (C)" special needs trusts benefiting individuals with developmental disabilities and related conditions living in the western United States.

The Fund acts as court-appointed conservator or guardian for individuals with developmental disabilities in California, Oregon, and Colorado.

The Fund assists families and parents with the estate planning process:

- Establishing a special needs trust for an individual with developmental disabilities.
- Planning for a successor conservator or guardian.
- Developing planned gifts that provide benefits to the donor as well as the charity.

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About the Fund

The Good Shepherd Fund has focused, from its beginning, on service to individuals with developmental disabilities and their families. The Fund was founded as a non-profit organization in 1970. From inception, the Fund has financially supported Good Shepherd Lutheran Home of the West (d/b/a Good Shepherd Communities). The Fund has provided more than \$7 million in financial support to Good Shepherd Lutheran Home over the years and has managed endowment-type funds for it as well.



In the early 1980's the Fund began to act as trustee of special needs trusts for individuals with developmental disabilities. In the mid-1980's the Fund began its Conservatorship/ Guardianship Program, again serving individuals with developmental disabilities, first in California and later in Oregon and Colorado.

The Good Shepherd Fund operates regionally, serving the western U.S. The Fund accepts special needs trusts benefiting developmentally disabled individuals living in any of the western states. Estate planning services are available in any of the western states. The Conservatorship/Guardianship Program operates in California, Oregon, and Colorado at this time.

The Fund is headquartered in San Jose, California:
The Good Shepherd Fund
1641 N. First St. #155
San Jose, CA 95112
+1 408 573 9606
+1 408 573 9609 fax
+1 888-422 4904 toll free

Executive Director: Pamela Benitez
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How You Can Help

CREATING A GIFT BECAUSE YOU CARE

Because you care.....about people with developmental disabilities and because you care about the Special Needs Trust and Guardianship ministry of The Good Shepherd Fund, you may be interested in learning more about creating a gift to assist this outreach. Maybe you want to know more about realizing life income from your gift while securing the future of The Good Shepherd Fund. Perhaps you want to know more about funding a Special Needs Trust. Click on one of the buttons to the left to learn more about the benefits that come with creating various types of gifts.

BENEFITS TO CREATING A GIFT

The Good Shepherd Fund has a Gift Planning Officer on staff, the Reverend Dr. Ron Beckman, to assist individuals, families and parents in establishing a Special Needs Trust or to assist in the development of current and/or planned gifts. Dr. Beckman is an ordained Lutheran pastor and a Certified Fund Raising Executive (CFRE), a credential that requires strict adherence to *Accountability Standards* and the *Donor Bill of Rights*. He is a member of the Association of Lutheran Development Executives and has over 20 years of estate and gift planning experience. He is available to assist financial and/or legal advisors to ensure that donor and trustor charitable intentions and objectives are met. There is no cost or obligation. You may contact him:

SOME ESTATE PLANNING BASICS

Reverend Dr. [Ron Beckman](#), CFRE
+1 303 474 4609.

WAYS TO GIFT

WHAT TO GIFT

The information on this web site is not intended for individual legal, tax or financial investment advice. Please consult your legal, tax and financial advisors.

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SPECIAL NEEDS TRUSTS



CONSERVATORSHIP/ GUARDIANSHIP



ESTATE PLANNING



Creating A Gift Because You Care

If you are considering making a gift to The Good Shepherd Fund but are uncertain what type of gift to make, let us guide you through some helpful steps.

What type of gift would be your preference at this time?

[I would like to make a charitable gift during my lifetime.](#)

[I would like to make a charitable gift through my estate.](#)



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Creating a Gift

How would you like to fund the gift(s) you prefer to give in your lifetime?

[I would like to fund my gift with cash.](#)

[I would like to fund my gift with real estate.](#)

[I would like to fund my gift with appreciated securities.](#)

[I would like to fund my gift with life insurance.](#)

A Gift of Cash

Making a gift of cash is probably one of the easiest and quickest ways to make a gift to the Good Shepherd Fund. It is certainly the most common gift. Simply write a check to The Good Shepherd Fund and mail to 1641 North First Street, Suite 155, San Jose, California, 95112, and the Fund, upon receipt, will send a timely thank you letter acknowledging your generous gift.

Charitable cash contributions are eligible for a tax deduction. According to IRS Publication 78, "You may deduct charitable contributions of money or property made to qualified organizations if you itemize your deductions". Generally, you can deduct cash contributions in full up to 50% of your adjusted gross income. Charitable contributions in excess of these limits can be carried over to the following tax year. The excess contributions can be carried over a maximum of five years.

The Good Shepherd Fund is a qualified 501 (c) (3) tax-exempt organization under the Internal Revenue Tax code.

Cash gifts provide the foundation for the charitable outreach of The Good Shepherd Fund. It is the goal of

The Good Shepherd Fund to adequately fund its Guardianship/Conservatorship program through fees, cash, and estate gifts so that it can carry a charitable load of at least 40% of its clients. Your cash gift is needed to accomplish this goal and is certainly appreciated.

Cash is commonly used in establishing a Special Needs Trust for an individual with a developmental disability or other disabling conditions. There is, however, generally no charitable deduction for a contribution to a Special Needs Trust.

To learn more about the benefits of cash gifts to The Good Shepherd Fund, contact: Reverend Dr. [Ron Beckman](#), +1 303 474 4609.

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A Gift of Real Estate

A gift of real estate to The Good Shepherd Fund can be a fitting contribution that helps the Fund fulfill its mission while providing the donor with significant tax benefits.

Many times a home or other real estate property, held for more than one year, has increased significantly in value. That may also mean significant capital gains tax if sold. Before you sell your real estate, consider the option of gifting the property outright to The Good Shepherd Fund.

When you make this outright gift of real estate property to The Good Shepherd Fund, and it has been in your possession for more than a year, you can realize an income tax charitable deduction equal to the property's full fair market value and also avoid capital gains tax on the property's appreciation. Generally, your deduction for a gift of appreciated real estate property in any year is limited to 30 percent of your adjusted gross income. You can carryover any of the unused deduction for five years. If you choose to base your charitable deduction on the original cost of the property, you can raise your adjusted gross income limitation to 50 percent. Again, you can use a five-year carryover.

If you have held your real estate property for less than one year but still choose to gift it to The Good Shepherd Fund, your charitable deduction will be limited to the property's cost basis. However, the appreciation can still be free of tax. Here the deduction can be claimed up to 50 percent of your adjusted gross income and the excess value can again be carried over for five years.

The Good Shepherd Fund welcomes your outright gift of real estate property to assist in fulfilling its mission. The transfer will require approval of the Board of Trustees. It will also require a properly executed deed under your state law, suitable for recording. A qualified appraisal will be needed to substantiate fair market value.

Real estate is also an excellent way to fund a Special Needs Trust. There is, however, no charitable deduction when used this way unless a Charitable Remainder Trust is first established.

If you have questions about the suitability of a real estate gift, the gift of a home or other property, qualified appraisals, funding special needs trusts, potential tax savings or other details, please feel free to contact the Reverend Dr. [Ron Beckman](#), CFRE. +1 303 474 4609.

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A Gift of Appreciated Securities

Outright gifts of publicly traded securities (stocks, bonds, and mutual funds) can easily be made to The Good Shepherd Fund. You can transfer securities to the Fund in a couple of ways. Your broker can transfer the securities electronically. You can also mail to the Fund the stock certificates and a signed stock power for each certificate. The certificates and the stock powers must be mailed separately.

Communication is critical in the transfer process. Please contact both The Good Shepherd Fund and the holder of the certificates for routing instructions before attempting to transfer securities.

The best securities to transfer as a gift to The Good Shepherd Fund are ones that have increased in value and have been held for more than one year. This transaction will not be subject to capital gains tax and you will be able to make a charitable deduction based upon the full fair market value. The fair market value is calculated by using the average of the high and low share price on the date the gift transfers. The maximum charitable deduction you may take within a given tax year is 30% of your adjusted gross income.

For electronic routing instructions and more information on gifts of appreciated securities, please contact the Reverend Dr. [Ron Beckman](#), CFRE. +1 303 474 4609.

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A Gift of Life Insurance

To make an outright gift of a life insurance policy to The Good Shepherd Fund, it will be necessary to irrevocably transfer ownership of the policy to the Fund. Contact the insurance company representative and fill out the proper change of ownership forms. Once The Good Shepherd Fund becomes owner and beneficiary, several good things happen.

There is a charitable deduction for income taxes. If it is a paid-up policy, the tax deduction cannot be greater than your net investment (total premiums paid less any dividends received). If premiums on the policy are still payable, you may stipulate that the assignment of ownership of the policy at its current value is the total charitable gift.

Another option might be more attractive, however. The policy can remain in force and you may pledge to make unrestricted gifts at least annually, which the Fund will use to pay the premiums. The gifts are deductible and the policy is kept in force to grow the asset.

You can receive lifetime income for the exchange of a life insurance policy for a Charitable Gift Annuity. The insurance policy must be given irrevocably for the benefit of The Good Shepherd Fund. The Charitable Gift Annuity agreement amount is determined by the current value of the policy. Suppose the current value of the insurance policy is \$150,000 and the age of the individual making the gifts is 86. Charitable Gift Annuity return rates are determined by the age of the donor; a one-life rate of return for an 86 year old is 9.9%.

This means that this donor, age 86, will receive a return of 9.9% on the current value of the life insurance policy of \$150,000 or \$14,850.00 annually for the rest of his or her life. In addition, there is a charitable deduction based upon the lesser of cost basis (total amount of premiums paid so far) or policy value.

People are discovering that life insurance can be an important tool in funding Special Needs Trusts. Although there is no charitable deduction with this use, the leverage that life insurance can bring in building the asset base of the special needs trust can be significant.

These are a few outright gift options that can give you satisfaction and significantly enhance the ministry of The Good Shepherd Fund. For more information about the gifting of life insurance, contact the Reverend Dr. [Ron Beckman](#), CFRE. +1 303 474 4609.

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Creating a Gift

How would you like to fund the gift(s) you prefer to give through your estate?

[I would like to fund my gift through a bequest.](#)

[I would like to fund my gift through retirement plan assets.](#)

[I would like to fund my gift through life insurance.](#)

Creating a Gift through a Bequest

You may be planning to include The Good Shepherd Fund in your Will or Living Trust.

Bequests through Wills and Living Trusts make it possible for virtually everyone to express specific charitable wishes. In fact, the bequest is the most frequently utilized method for support to charities in America. Thank you for your interest in leaving a legacy that supports people with developmental disabilities and related disabling conditions through the ministries of The Good Shepherd Fund.

Forms of Bequests

There are various forms of charitable bequests. Examples include:

- A specific dollar amount. In general, any amount can be given to a qualified charity during life or at death, free of federal gift and estate taxes, because of unlimited gift and estate tax charitable deductions (IRC sections 2055 and 2522)
- A percent of the estate's residual value. Most people have no way of knowing exactly how much property they will own at death. To be sure that charitable gifts remain in proportion to their other legacies, many people designate that a certain percentage of their estate be given to a favorite charity.
- A specific asset. Gifts of property are often as welcome and helpful as gifts of cash. Stocks and bonds or a house, farm, and other marketable real estate are examples of property that often make excellent gifts and may provide tax benefits for your estate.

Special Needs Trusts

All of the above forms of bequests are excellent ways of funding a special needs trust for an individual with developmental disabilities and other disabling conditions.

Use the Proper Legal Name

When you include a charitable gift in your Will, give your attorney the full legal name and address of The Good Shepherd Fund:

The Good Shepherd Fund, a California non-profit corporation
1641 North First Street, Suite 155
San Jose, California 95112
+1 408 573 9606 or +1 888 422 4904 (toll-free)

Maintain Flexibility in your Bequest

When you make a bequest in your will or living trust, please remember that future needs do change. For this reason, it is usually best to keep your gift flexible. Generally, the least restrictive, the more helpful gift you provide.

Communicate Your Plans

After you have named The Good Shepherd Fund in your Will, consider informing us of your intentions. We will want to appropriately thank you for your generous expression of support. If acceptable to you, we

would like to properly recognize your planned gift publicly as appropriate.

For Assistance

Contact the Reverend Dr. [Ron Beckman](#), CFRE. +1 303 474 4609.

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Creating a Gift through a Retirement Asset

In our tax laws, retirement plan assets are generally subjected to the highest income and estate taxes, sometimes as high as 65%. Therefore, charitable donations of these assets may be the best estate planning option for many people. One of the easiest ways to leave the balance of a retirement account to The Good Shepherd Fund after your lifetime is to list the Fund as the beneficiary on a form provided by your plan administrator. This permits you to continue to take withdrawals from your account during your life and then leave the remaining value to The Good Shepherd Fund. Always be sure to discuss your interest in making a beneficiary change with your professional advisor before doing so.

If married, your surviving spouse is entitled by law to receive the entire amount in most qualified plans. Therefore, in order for the assets to be transferable to The Good Shepherd Fund, your spouse must execute a written waiver. If you prefer to make your spouse the primary beneficiary of the retirement account, you can name The Good Shepherd Fund as the secondary beneficiary.

Congress has recently changed the rules for charitable gifts made in year 2007 from individual retirement accounts (IRAs). This is good news for charities like The Good Shepherd Fund and it is good news for donors. During the year 2007, donors, over the age of 70 ½, are permitted to roll over amounts from an IRA account to charity without claiming increased income or paying additional tax. These tax-free rollover gifts can be in any amount up to \$100,000 in one year. Contact your IRA custodian to arrange these gifts.

Like many individuals, your IRA may have increased in value over the years and you have more income than you may need. The IRA is a simple way to provide for The Good Shepherd Fund, while not increasing your taxable income. While there is no added charitable tax deduction for an IRA charitable rollover gift, avoiding any addition in taxable income may save income taxes not otherwise available.

A designation for distribution through a retirement account after your death might be an excellent way of funding a Special Needs Trust for an individual with a developmental disability or other disabling condition. There would be no charitable deduction for this use of retirement assets.

For more information, contact: the Reverend Dr. [Ron Beckman](#), CFRE. +1 303 474 4609.

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Creating a Gift through Life Insurance

Some of the most satisfying uses of insurance, believe it or not, are connected to charitable giving! It may be a hidden asset. The versatility of life insurance is worth revisiting.

Consider naming the Fund as a beneficiary of an existing or new insurance policy. The Good Shepherd Fund would receive the insurance proceeds at your death. You make this change by contacting your insurance representative and requesting that a change in beneficiary be made. There will not be a charitable income tax deduction available for this gift, because you have not made an irrevocable charitable contribution.

Families are discovering that life insurance can be an important tool in funding Special Needs Trusts. Although there is no charitable deduction with this use, the leverage that life insurance can bring in building the asset base of the special needs trust can be significant.

For more information on how to make a charitable gift of life insurance to The Good Shepherd Fund through an estate, or about funding a Special Needs Trust through life insurance, contact the Reverend Dr. [Ron Beckman](#), CFRE. +1 303 474 4609.

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Benefits To Creating a Gift

Ways to give	Benefit to the Good Shepherd Fund	Benefits to You
Outright gifts cash, stocks/securities, collectables <i>amount: unlimited</i>	Unrestricted annual and major gifts provide much needed operational resources	Income tax deduction, possible avoidance of capital gains on appreciated gifts.
Bequest Cash, real estate, personal property, percentage of estate, remainder of estate <i>amount: unlimited</i>	Bequests designated for an endowment will be held in perpetuity and invested to support The Good Shepherd Fund mission	Opportunity to make a perpetual gift in memory of a loved one, possible tax deduction.
Charitable Gift Annuity Cash, stocks/securities <i>amount: \$1,000 minimum</i>	Upon death of the donor or last surviving annuitant, remainder assets support The Good Shepherd Fund	Attractive, guaranteed fixed income for life based upon age. Portion of income is tax-free. Income tax deduction.
Insurance policy Name The Good Shepherd Fund as owner/beneficiary of current or new policy <i>amount: unlimited</i>	The Good Shepherd Fund receives full face value of policy upon death of donor or may receive current surrender value prior to donor's death	Opportunity to make a substantial future gift to The Fund at manageable current premium cost. Income tax deduction for value of the policy when transferred. Premium payments may be deducted as gifts.
Charitable Remainder Trust Cash, stock/securities, real estate <i>amount: usually \$20,000 minimum</i>	The Good Shepherd Fund receives substantial future gift	Variable or fixed income. Income tax deduction. No capital gains on appreciated gift. Heirs can share in receiving income.
Charitable Lead Trust Cash, stocks/securities, real estate <i>amount: usually \$100,000 or more</i>	Income for duration of trust helps The Good Shepherd Fund accomplish mission	At end of trust period, principal returns to donor or heirs. Principal can pass to others without shrinkage. Possible tax deduction.
Retirement plan/IRA Name The Good Shepherd Fund beneficiary of death benefit: <i>amount: unlimited</i>	Significant gift upon death of donor	Opportunity to make a major gift. Estate and income tax savings may be significant.

For more information, please contact The Reverend Dr. [Ron Beckman](#), CFRE, at +1 303 474 4609. Consult your legal, tax and financial advisors.



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Some Estate Planning Basics

Everyone needs a WILL

Even those people who plan to transfer all of their property by a living trust or joint tenancy should prepare a will to back up these other transfer devices. You need a will to..... [\(more...\)](#)



A Revocable Living Trust

A Revocable Living Trust is a legal document that, to many of us, looks much like a will. And like a will, it includes your instructions for whom you want to handle your final affairs and whom you want to receive your assets after you die. But, unlike a will, a Living trust.... [\(more...\)](#)

A Living Will

A living will is a document you sign giving your doctor instructions about your care and about medical decision-making. See your attorney for more information.

Power of Attorney

A general power of attorney allows the holder of the power to act on your behalf. It lapses upon the grantor's incompetence. A durable power of attorney survives the incompetence of the grantor and permits the holder of the power to act. See your attorney for more information.

Special Needs Trust

A special needs trust benefiting an individual with disabilities can be created separately or as part of a will or living trust.

Everyone needs a Will

You need a will to:

- Direct the distribution of your assets to those you care about most.
- Choose a personal representative (executor) who will oversee the distribution of your assets.
- Provide for family members, friends, or relatives.
- Nominate personal guardians for your minor children or special needs child.
- Nominate a conservator or guardian for your adult child with disabilities.
- Provide support for charitable causes that have had special meaning for you, such as The Good Shepherd Fund.

Without a will:

- The state statute determines the distribution of your property.
- The court appoints an administrator for you.
- Heirs benefit equally by class and not in proportions you would have intended.
- You cannot provide for minors as the court will appoint a guardian for you.

Creating your will

It is highly recommended that you have your will prepared by an attorney and executed according to state guidelines. Here are some steps necessary for a will to be legal.

- It should be in writing.
- It should be signed by the one creating the will.
- It should be acknowledged to be the will of the one who signs it.
- It should be dated.

Witnesses, who are not beneficiaries of the will, must witness the signature of the person who creates the will and must also sign the will. Remember that a will is revocable. It does not become irrevocable until you die. You may change it at any time. It is important that you periodically review your will to make sure that it is current.

Creating a Special Needs Trust

Many parents choose to create a Special Needs Trust and fund it for their child with a developmental disability or other disabling condition through their will or living trust. They may have established a special needs trust for their child while living, with minimal funding, and then have funded the trust at their death through their will or living trust.

Sometimes a Special Needs Trust is established and funded within the Will or Living Trust. Here the Special Needs Trust is established at their death. Funding a Special Needs Trust, in any amount, through an estate, gift does not disqualify the individual for government benefits and provides a way for parents to inherit all children equally. Many parents name The Good Shepherd Fund as the final beneficiary after the child's death.

For more information, contact the Reverend Dr. [Ron Beckman](#) CFRE, +1 303 474 4609.

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A Revocable Living Trust

A Revocable Living Trust is like a will in that it includes your instructions for whom you want to handle your final affairs and whom you want to receive your assets after you die. However, it is unlike a will in that it does not go through probate. The court does not control your assets at death and incapacity. It gives you – not the courts—control over the assets you leave to your family member or a child with a special need.

Assets titled in just your name in a will may need to go through a probate process before they can go to your beneficiaries. But assets that you re-title in the name of your Living Trust avoid probate and can go straight to your beneficiaries. It is especially important, then, that you properly fund your Living Trust. You do not want to leave your Living Trust unfunded – because anything you leave out of your trust will probably have to go through probate when you die and would be subject to court control if you become incapacitated. Assets that have been placed in the Living Trust avoid probate at death.

You can provide for your spouse, child, sibling, parent, or other loved one who is physically, mentally or

developmentally disabled – from birth, illness, or injury -- through a Special Needs Trust in your Living Trust. With a Special Needs Trust within your Living Trust you can provide for a disabled loved one without interfering with his/her benefits.

The Special Needs Trust should be very specific in stating that its purpose is to supplement government benefits – that is, to provide benefits only above and beyond the benefits the disabled person receives from any governmental agency. To make sure the beneficiary does not have any implied ownership in the trust assets, the Special Needs Trust should give the Trustee complete control over the distribution of the assets and any income they generate. The Good Shepherd Fund may be named the Trustee for

beneficiaries who are developmentally disabled - contact The Fund to be sure that the beneficiary is an individual whom the Fund will be able to serve.

You (and your spouse, if you are married) may serve as Trustee(s) while you are living. There will need to be a trustee named to assume this responsibility after your death (or inability to serve). For more information on living trusts, special needs trusts and the services of The Good Shepherd Fund, contact the Reverend Dr. [Ron Beckman](#) CFRE, +1 303 474 4609.

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Ways to Gift

Bequests

We hope that you will tell us when you have named The Good Shepherd Fund in your Will. We want to thank you personally for your generous gift. One of the easiest ways to make a gift in memory of a loved one, or establish an endowment to honor a special person, is to name the Fund in your Will for that purpose. One of the simplest ways to fund a Special Needs Trust is through a bequest in a will.



Charitable Gift Annuity

A gift annuity is a gift that keeps on giving to you and to The Good Shepherd Fund. It is an excellent way to combine your desire to make a charitable gift and your need for lifetime income. There is a guaranteed annuity payment for one life or two lives, at a rate based on nearest birthday(s). ([more...](#))

Charitable Remainder Trust

To create a Charitable Remainder Trust, you irrevocably transfer money, real estate, securities or other assets to a trust that will then pay you an income for life or for a period of years. At the death of the surviving beneficiary, the remaining principal in the trust goes to The Good Shepherd Fund. ([more...](#))

Life Estate Reserved

A Life Estate Reserved agreement between you and The Good Shepherd Fund allows for you to deed your home or farm to The Good Shepherd Fund now and still live there for the rest of your life. There can be a sizable income tax deduction in the year of the gift depending upon the value of the property and your age. ([more...](#))

Charitable Gift Annuity

A Charitable Gift Annuity is both a gift to a charity and an annuity. The donor transfers property (cash, securities, real estate) to the charity and the charity in exchange promises to pay a fixed dollar payment to one or two annuitants for life.

The rate of return in the agreement is determined by the age of the donor(s). The older the individual, the higher the rate of return. The annuity payment amount is fixed and does not change regardless of current investment or market conditions. Part of the payment is interest earned and is taxable as ordinary income. The other part of each payment is return of principal and is tax free. If an annuitant survives past his or her life expectancy, all later annuity payments will be taxable as ordinary income. After all payments have been made for one or two annuitants, The Good Shepherd Fund benefits from the

charitable gift.

The gift annuity offers the donor the opportunity to make a current commitment to The Good Shepherd Fund, receive a lifetime payment (or provide support to another person), bypass a portion of capital gain

tax on a gift of appreciated, long-term property, receive an income tax deduction for all or part of the gift, and remove the property from his or her estate.

To learn more information about Charitable Gift Annuities and the current rates available, contact the Reverend Dr. [Ron Beckman](#), CFRE, +1 303 474 4609. For a free, no obligation, illustration of how a Charitable Gift Annuity will work for you, provide name of donor and annuitants, birth date(s), income tax bracket, the proposed gift date, the payout frequency (monthly, quarterly, semiannually or annually), the fair market value and cost basis of the asset.

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Charitable Remainder Trust

A Charitable Remainder Trust is designed to irrevocably receive a person's assets and then pay income to that individual for life or for a period of years. You can design the trust to fit your own unique needs. You decide how much you want to put in the trust. Next, you determine the income you would like to receive from the donated assets. The rate of income you select must be at least five percent and usually is between five and seven percent. Finally, you decide which type charitable remainder trust will work best for you.

There are several kinds of charitable remainder trusts:

- 1. A Straight or Standard Unitrust. This trust pays at least 5 percent of the fair market value of the assets determined annually to the beneficiaries.
- 2. The Net-Income-Only Unitrust. This trust pays all the income earned up to the amount stated in the trust and must be no more than the stated percentage in any year.
- 3. The Net-Income-Plus-Makeup Unitrust. This trust provides that when the earnings are higher than the stated percentage amount, the excess will be carried forward and more income can be paid to the beneficiary to make up for any deficiencies in income received in past or future years.
- 4. The Flip Unitrust. This trust converts to a Straight or Standard Unitrust on a triggering event, such as the sale of the asset used to fund the trust. This trust is usually considered when making a gift of real estate.
- 5. The Annuity Trust. This trust pays a fixed dollar annual income for the life of beneficiaries.

Your charitable remainder trust can be funded with cash, securities, or other properties. The ideal funding choice will be highly appreciated assets that generate low current income. You can transfer assets directly to the trust without incurring capital gains tax.

Upon the death of the donor (s), the principal is distributed to The Good Shepherd Fund. Even though the Fund might not receive anything for many years, the government permits a person establishing the irrevocable trust to take an immediate income tax deduction.

Special Needs Trust. A Charitable Remainder Unitrust may be used to fund a Special Needs Trust for an individual with developmental disabilities or other disabling conditions (IRS Private Letter Ruling PLR200240012). The Good Shepherd Fund serves as trustee of Charitable Remainder Trusts, providing administrative and investment services. For more information contact the Reverend Dr. [Ron Beckman](#), CFRE, +1 303 474 4609. No obligation illustrations can be provided.

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Life Estate Reserved

A Life Estate Reserved is an agreement whereby an individual can contribute a personal residence or farm to The Good Shepherd Fund and continue to occupy the property until death. As a result, the donor can receive a current income tax deduction for the property's discounted value.

There are several considerations for this unique use of real estate. The property must be a personal residence or farm. However, the personal residence does not need to be the donor's primary residence. It can be a second home or vacation home.

The gift arrangement is irrevocable. The donor must realize that it will not be possible to draw on equity in the property in the event of an unexpected emergency or need for cash.

The donor is responsible for all expenses of maintaining the property as usual. This includes maintenance and homeowners fees, insurance, property taxes, fixing the roof, new hot water heater and similar repairs.

The life estate is accomplished by preparing a deed from the owner to The Good Shepherd Fund. The property must be appraised and the donor will be eligible for an income tax deduction for the present value of the remainder interest gifted to The Good Shepherd Fund.

For more information on a life estate reserved, contact the Reverend Dr. [Ron Beckman](#), CFRE, +1 303 474 4609. A no obligation illustration will be provided by the Fund. To complete an illustration, please provide birth date(s), proposed gift date, the fair market value of the property, the estimated value of the land and buildings, and the estimated useful and salvage value of the buildings.

The information on this web site is not intended for individual legal, tax or financial investment advice. Please consult your legal, tax and financial advisors.

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What to Gift

Gifts of Cash

Making a gift of cash is probably one of the easiest and quickest ways to make a gift to The Good Shepherd Fund. You can deduct cash contributions in full amount up to 50% of your adjusted gross income. ([more...](#))



Gifts of Real Estate

When you make a gift of real estate property to The Good Shepherd Fund and it has been in your possession for more than a year, you can realize an income tax charitable deduction equal to the property's full fair market value and also avoid capital gains tax on the property's appreciation. ([more](#))

Gifts of Appreciated Securities

The best securities to transfer as a gift to The Good Shepherd Fund are the ones that have increased in value and have been held for more than a year. This transaction will avoid capital gains tax and you will be able to make a charitable deduction based upon the full fair market value. ([more](#))

Gifts of Retirement Plan Asset

One of the easiest ways to leave the balance of a retirement account to The Good Shepherd Fund after your lifetime is to list the Fund as the beneficiary on a form provided by your plan administrator. ([more](#))

Gifts of Life Insurance

You may retain ownership of a life insurance policy during your lifetime with The Good Shepherd Fund receiving the insurance proceeds at your death. This could provide you with flexibility and control. ([more](#))

A Gift of Cash

Making a gift of cash is probably one of the easiest and quickest ways to make a gift to the Good Shepherd Fund. It is certainly the most common gift. Simply write a check to The Good Shepherd Fund and mail to 1641 North First Street, Suite 155, San Jose, California, 95112, and the Fund, upon receipt, will send a timely thank you letter acknowledging your generous gift.

Charitable cash contributions are tax deductible. According to IRS Publication 78, "You may deduct charitable contributions of money or property made to qualified organizations if you itemize your deductions". Generally, you can deduct cash contributions in full up to 50% of your adjusted gross income. Charitable contributions in excess of these limits can be carried over to the following tax year.

The excess contributions can be carried over a maximum of five years.

The Good Shepherd Fund is a qualified 501 (c) (3) tax-exempt organization under the Internal Revenue Tax code.

Cash gifts provide the foundation for the charitable outreach of The Good Shepherd Fund. It is the goal of The Good Shepherd Fund to adequately fund its guardianship/conservatorship through fees, cash and estate gifts so that it can carry a charitable load of at least 40% of its clients. Your cash gift is needed to accomplish this goal and is certainly appreciated.

Cash is commonly used in establishing a Special Needs Trust for an individual with a developmental disability or other disabling conditions. There is, however, no charitable deduction for a contribution to a Special Needs Trust.

To learn more about the benefits of cash gifts to The Good Shepherd Fund, contact: Reverend Dr. [Ron Beckman](#), +1 303 474 4609.



A Gift of Real Estate

A gift of real estate to The Good Shepherd Fund can be a fitting contribution that helps the Fund fulfill its mission while providing the donor with significant tax benefits.

Many times a home or other real estate property, held for more than one year, has increased significantly in value. That may also mean significant capital gains tax if sold. Before you sell your real estate, consider the option of gifting the property outright to The Good Shepherd Fund.

When you make this outright gift of real estate property to The Good Shepherd Fund, and it has been in your possession for more than a year, you can realize an income tax charitable deduction equal to the property's full fair market value and also avoid capital gains tax on the property's appreciation. Generally, your deduction for a gift of appreciated real estate property in any year is limited to 30 percent of your adjusted gross income. You can carryover any of the unused deduction for five years. If you choose to base your charitable deduction on the original cost of the property, you can raise your adjusted gross income limitation to 50 percent. Again, you can use a five-year carryover.

If you have held your real estate property for less than one year but still choose to gift it to The Good Shepherd Fund, your charitable deduction will be limited to the property's cost basis. However, the appreciation can still be free of tax. Here the deduction can be claimed up to 50 percent of your adjusted gross income and the excess value can again be carried over for five years.

The Good Shepherd Fund welcomes your outright gift of real estate property to assist in fulfilling its mission. The transfer will require a properly executed deed under your state law, suitable for recording. A qualified appraisal will be needed to substantiate fair market value.

Real estate is also an excellent way to fund a Special Needs Trust. There is, however, no charitable deduction when used this way unless a Charitable Remainder Trust is first established.

If you have questions about the suitability of a real estate gift, the gift of a home or other property, qualified appraisals, funding special needs trusts, tax savings or other details, please feel free to contact Reverend Dr. [Ron Beckman](#), +1 303 474 4609.



Creating a Gift through a Retirement Asset

In our tax laws, retirement plan assets are generally subjected to the highest income and estate taxes,

sometimes as high as 65%. Therefore, charitable donations of these assets may be the best estate planning option for many people. One of the easiest ways to leave the balance of a retirement account to The Good Shepherd Fund after your lifetime is to list the Fund as the beneficiary on a form provided by your plan administrator. This permits you to continue to take withdrawals from your account during your life and then leave the remaining value to The Good Shepherd Fund. Always be sure to discuss your interest in making a beneficiary change with your professional advisor before doing so.

If married, your surviving spouse is entitled by law to receive the entire amount in most qualified plans. Therefore, in order for the assets to be transferable to The Good Shepherd Fund, your spouse must

execute a written waiver. If you prefer to make your spouse the primary beneficiary of the retirement account, you can name The Good Shepherd Fund as the secondary beneficiary.

Congress has recently changed the rules for charitable gifts made in year 2007 from individual retirement accounts (IRAs). This is good news for charities like The Good Shepherd Fund and it is good news for donors. During the year 2007, donors, over the age of 70 ½ are permitted to roll over amounts from an IRA account to charity without claiming increased income or paying additional tax. These tax-free rollover gifts can be in any amount up to \$100,000 in one year. Contact your IRA custodian to arrange these gifts.

Like many individuals, your IRA may have increased in value over the years and you have more income than you may need. The IRA is a simple way to provide for The Good Shepherd Fund, while not increasing your taxable income. While there is no added charitable tax deduction for an IRA charitable rollover gift, avoiding any addition in taxable income may save income taxes not otherwise available.

A designation for distribution through a retirement account after your death might be an excellent way of funding a Special Needs Trust for an individual with a developmental disability or other disabling condition. There would be no charitable deduction for this use of retirement assets.

For more information, contact: the Reverend Dr. [Ron Beckman](#), +1 303 474 4609.

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Creating a Gift through Life Insurance

Some of the most satisfying uses of insurance, believe it or not, are connected to charitable giving! It may be a hidden asset. The versatility of life insurance is worth revisiting.

Consider naming the Fund as a beneficiary of an existing or new insurance policy. The Good Shepherd Fund would receive the insurance proceeds at your death. You make this change by contacting your insurance representative and requesting that a change in beneficiary be made. There is no charitable income tax deduction available for this gift, because you have not made an irrevocable charitable contribution.

Families are discovering that life insurance can be an important tool in funding Special Needs Trusts. Although there is no charitable deduction with this use, the leverage that life insurance can bring in building the asset base of the special needs trust can be significant.

For more information on how to make a charitable gift of life insurance to The Good Shepherd Fund through an estate, or about funding a Special Needs Trust through life insurance, contact Reverend Dr. [Ron Beckman](#), +1 303 474 4609.

The information on this web site is not intended for individual legal, tax or financial investment advice. Please consult your legal, tax and financial advisors.

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The Good Shepherd Fund

Serving individuals with developmental disabilities and their families



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Frequently Asked Questions

Here are some common questions asked about the Good Shepherd Fund. If you have a question that is not answered here, email us and we'll get back to you with the answers you need.

1. [What is the Good Shepherd Fund?](#)
2. [How is the Fund governed?](#)
3. [What are the Fund's Core Values?](#)
4. [What does the Good Shepherd Fund do?](#)
5. [How can I help?](#)
6. [How can I get help with estate planning?](#)
7. [How can I plan adequately for my child with disabilities?](#)
8. [How does a letter of intent help me plan for my child with disabilities?](#)

1. What is The Good Shepherd Fund?

The Good Shepherd Fund is a 501 (c) 3 non-profit corporation, based in California. It was founded in 1970.

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2. How is the Fund governed?

The Good Shepherd Fund is governed by a 13-member Board of Trustees. All Trustees serve as volunteers. Individuals currently serving on the Board include the following areas of expertise: legal, banking, real estate finance, investment, business, church administration, engineering, executive coaching, and technology. A number of Trustees have a family member with developmental disabilities. An Executive Director manages the Fund.

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3. What are the Fund's Core Values?

We are dedicated to serving.
We value each person and family.
We are accountable to those we serve.
We are accountable for resources.
We serve with care.

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4. What does the Good Shepherd Fund do?

The Fund acts as trustee of special needs trusts, including “d(4)(C)” special needs trusts, for individuals with developmental disabilities and other related disabilities for beneficiaries living in the Western United States.

The Fund also acts as court-appointed conservator or guardian for the individuals with developmental disabilities in Colorado, California, and Oregon.

The Fund assists families with the estate planning process, particularly planning for special needs trusts for individuals with developmental disabilities.

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5. How can I help?

The Good Shepherd Fund receives no governmental or foundation funding. We depend entirely on fee-based income and the generosity of individual contributors to provide services to individuals with developmental disabilities and their families. There's more information [here](#).

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6. How can I get help with estate planning?

The Fund provides assistance with estate planning particularly relating to special needs trusts. Contact Rev. Dr. [Ron Beckman](#).

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7. How can I plan adequately for my child with disabilities?

It does take extra care and planning and consultations with one's attorney to adequately provide for a child with disabilities. An inheritance left directly to the child may disqualify her/him from a host of means-tested government programs. The alternative is a special needs trust which provides income for the “extras” of life - travel, therapy, or dental expenses for example.

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8. How does a letter of intent help me plan for my child with disabilities?

A Letter of Intent is a document written by you, the parents, (or other member of the family), that describes your son or daughter's history, his or her current status, and the hopes and dreams you have for him or her in the future. To the maximum extent possible, it is a good idea to involve your child in the writing of this Letter, so it truly represents the strengths of your child, goals and supports needed now and in the future.

Even though the Letter of Intent is not a legal document, the courts, guardian, trustee of a Special Needs Trust, case managers and others can rely upon the Letter for guidance in understanding your son or daughter and the wishes you, the parents, have for him or her. In this way, you can continue to “speak out” on behalf of your son or daughter, providing valuable insight and knowledge about his or her own best possible care. The Letter of Intent is a crucial part of any life or estate plan, because it speaks both for and about the person with a disability and his or her family. The Good Shepherd Fund provides additional information and materials to assist families in creating Letters of Intent for the benefit of their child.



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Serving individuals with developmental disabilities and their families



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SPECIAL NEEDS
TRUSTS



CONSERVATORSHIP/
GUARDIANSHIP



ESTATE
PLANNING



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Special Needs Trusts

The Good Shepherd Fund is trustee for more than 225 special needs trusts and trust accounts and is named in the wills of many more families to be trustee in the future. Beneficiaries live in California, Oregon, Washington, Colorado and Arizona. The Fund will consider being trustee for beneficiaries living in other western states.



Frequently Asked Questions

Why have a Special Needs Trust?

A special needs trust has been described as a “parent’s pocket” - a resource that can provide funds for an individual with disabilities to pay for the type of expense that a parent would just reach into the pocket to cover. Examples are dental bills, summer camp, or a plane ticket to visit family.

Special needs trusts are designed to supplement, not to replace, basic support provided by various government programs that are intended to provide food, clothing, and shelter.

What form does the Special Needs Trust take?

The Good Shepherd Fund offers two types of special needs trusts: an individualized trust and a Pooled Trust.

Individualized Special Needs Trust

- An individualized special needs trust is also called a third party trust as the funding comes direct from a third party, typically parents or other family members, and goes directly into the trust.
- An individualized special needs trust is appropriate when there is a co-trustee or some other unique provision, or when the trust language is embodied in a will or living trust.
- Government entities have no access to these funds during or after the beneficiary's lifetime.
- The Good Shepherd Fund or other named charity may be named in the trust to receive any remaining assets in the trust upon the death of the beneficiary.

The Good Shepherd Fund Pooled Trust

- A trustor sets up the trust by joining the Pooled Trust through a Joinder Agreement. All that is needed is basic information; the process is straight-forward.
- The *Pooled Trust* is a “d(4)(C)” irrevocable discretionary special needs trust set up to receive accounts which can be funded with the assets of a disabled beneficiary (such as accident settlements, or personal funds of the beneficiary including gifts or inheritances previously distributed to the beneficiary.)
- The *Pooled Trust* can also be used to receive funding directly from third parties (such as gifts or

inheritances from family members not yet distributed to the beneficiary.)

- Funds are pooled for investment but individual accounts are maintained for each beneficiary.

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What is a “d(4)(C)” trust?

Created under Federal law enacted in 1993 (42U.S.C 1396p), the term “d(4)(C)” stems from the subsection of the law which exempts certain special needs trusts established for the sole benefit of a disabled individual under age 65 so they are not counted as resources of the beneficiary under Medicaid and SSI programs. The trustee has the discretion to pay out for the benefit of the beneficiary the trust income and principal to meet those needs not otherwise provided by public benefits.

The statute requires that the “d(4)(C)” trust be a pooled trust established and maintained by a nonprofit association. The Good Shepherd Fund is a qualified 501 (c)(3) non-profit organization recognized as tax-exempt by the IRS.

The trust is established by opening an account with the Pooled Trust. The Good Shepherd Fund provides a Joinder Agreement for this purpose.

Upon the beneficiary’s death, any remaining trust assets (other than those contributed directly from third parties) are payable to the State Medicaid plan to the extent of medical assistance paid on behalf of the beneficiary.

Special Needs Trust Terminology

The trustor sets up the trust. The trustor can be the parent, grandparent, legal guardian or court, or in the case of a “d(4)(C)” trust, the disabled individual himself or herself. The trustee administers the trust. The beneficiary is a person with disabilities who receives distributions from the trust. Distributions can be made from the earnings of the trust (interest, dividends, capital gains), and generally from the principal of the trust.

What are “Special Needs”?

Special needs are items, not provided by government support or a private health plan, which enhance the individual’s life, health, and welfare. Examples of distributions are:

- Dental, medical, and pharmaceutical expenses not covered elsewhere.
- Therapy or rehabilitation services.
- Wheelchairs and other special equipment not covered elsewhere.
- Travel which can include the cost of a companion.
- Psychological or counseling services.
- Recreation and entertainment (summer camp, beach trips, airfare to travel home, spending money for movies or social events, videos, sports equipment).
- Social activities including meal expenses.
- Legal or guardianship expenses.
- Burial or cremation expenses.

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Will a Special Needs Trust put government support at risk?

No. The trusts are specifically set up to supplement, not replace, basic government support for the

individual's needs. Indeed, the trustee is typically restricted from making a distribution that might jeopardize public benefits.

Can there be a Co-Trustee?

For individual trusts, The Fund may act as Co-Trustee in appropriate instances if so requested. However, the Good Shepherd Fund Pooled Trust is not set up for co-trustees.

Why select The Good Shepherd Fund as trustee?

First, experience: The Good Shepherd Fund has been trustee of special needs trusts since they first came into existence more than 25 years ago and is currently trustee for more than 225 beneficiaries. Second, The Fund is a corporation. There are distinct advantages to having a corporation rather than an individual as trustee:

- An individual may die or be unable to perform the trustee's duties. A corporation provides continuity and will always have staff in place to ensure that the beneficiary's needs are met.
- The Fund provides professional money management and investment services, including tax filings.
- All trust funds are audited annually.

Does The Good Shepherd Fund act as trustee for beneficiaries with all types of disabilities?

No. The Fund specializes in services to individuals with developmental disabilities and related disabilities.

When should the trust be set up?

Some families like to have the trust set up and in place now with some initial funding. This provides peace-of-mind and allows a family to see how the trust works and will continue working after they are gone. Typically, the bulk of the trust funding comes later through the will and estate.

Other families like to set up the trust through the will (or living trust) with funding through the will (or living trust). The trust language is contained in the will or living trust and becomes effective on the day of death.

Regardless, families should consult with their attorney to draw up and review the trust document.



How long does it take to set up a special needs trust?

An account in the Pooled Trust that meets the Fund's criteria can be established in a matter of days.

An individual trust that needs to be drafted/ reviewed by the family attorney will depend upon that attorney's schedule. Once the trust is prepared, it can be established as soon as it is signed and at least minimally funded.

How are the funds invested?

The funds are invested by the Finance Committee of the Board of Trustees under the guidance of investment professionals. Funds are currently invested through UBS Financial Services, Inc., an international investment management firm. Funds may be pooled for investment purposes to reduce costs and enhance earnings but individual accounts are maintained for each trust.

Investments are diversified and conservative and are allocated to stocks, bonds and cash accounts. Larger accounts are assigned to investment managers while smaller accounts are invested in mutual funds.

All funds managed by The Good Shepherd Fund are audited annually. Auditors are rotated at least every five years. Audit reports are available on request.

Are Special Needs Trusts taxable?

The earnings of the trust are taxable. For third-party trusts, the trustee prepares a Federal and State return under an EIN number that is assigned to each trust. For the pooled trust, the trustee supplies a K-1 report on earnings of the trust to the beneficiary.

Are contributions to a Special Needs Trust tax-deductible?

No. Contributions to a special needs trust are generally not eligible for a charitable deduction.

If the Good Shepherd Fund is named as remainder beneficiary after the death of the individual with disabilities, there may be a charitable deduction to a taxable estate. Contact your tax advisor or The Good Shepherd Fund for more information.

What are the trustee fees?

The Good Shepherd Fund charges an annual trustee fee of 1% of trust assets (0.75% for assets \$500,000 and over). There is also a one-time set up fee of \$500.

The minimum trust funding level is \$50,000 which can be waived subject to a minimum annual fee of \$500.

When a trust is part of an overall estate plan for future funding from a third party, the minimum funding level is \$1,000.

As the fee charged does not cover all expenses, and the Fund, as part of its charitable mission, provides other pro bono services to individuals with developmental disabilities with no families and no resources, the Fund urges individuals and families establishing third party trusts to consider a remainder designation to The Good Shepherd Fund. Trustee fees are waived when The Good Shepherd Fund is named to receive the amount remaining in the trust when the beneficiary dies. [This does not apply to self-settled trusts which are payable to the State Medicaid plan to the extent of medical assistance paid on behalf of the beneficiary.]

Please contact the Fund office for more information at +1 408 573 9606 or [Pamela Benitez](#).

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Are there other costs?

In addition to a trustee fee, there are charges to the trust for investment management fees and tax return preparation costs. In all instances, the Fund, a non-profit organization, works to keep fees and costs at a very reasonable level.

Since the pooled trust uses a master trust already established, the legal expense of drafting an individual trust for each beneficiary is avoided. However, there still may be legal expenses incurred by the trustor in having an attorney assist in reviewing the master trust and joinder agreement on behalf of a beneficiary, or in regard to funding an account.

Are trusts at The Good Shepherd Fund bonded?

Yes, if so requested by a family or a court. Most families do not require this added expense. If a trust is court supervised, it typically is bonded. The Fund carries general liability, trustee liability, and directors and officers liability insurance, and also commercial crime insurance, well in excess of the value of the typical trust. The Fund is also audited annually.

How are distributions from the trust handled?

Distribution requests come from the beneficiaries themselves, their family, their guardians or conservators, their care providers, and sometimes from case managers. Staff works with that individual to ensure that the requested expense is a "special need" and is an appropriate expenditure. An extra level of review is provided for SSI recipients to help ensure that SSI regulations are followed. The vast majority of requests are approved and funded promptly by check. For major expenses or for recurring



bills (e.g., phone, cable, pharmacy, utilities), staff will arrange for the invoice to go directly to the Fund. A regular allowance or bill payment can also be arranged.

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Conservatorship/Guardianship Program

The Good Shepherd Fund acts as court-appointed conservator or guardian of adults with developmental disabilities. The Fund is conservator or guardian for more than 100 individuals in California, Oregon, and Colorado.



The Director of the Conservatorship/ Guardianship Program is a licensed clinical social worker with extensive experience working with individuals with developmental disabilities. The Director is supported by a team of Conservatorship/Guardianship Coordinators in the following base locations:

- Portland, OR
- Denver, CO
- Orange County, CA
- San Francisco Bay Area, CA
- Porterville/ Bakersfield, CA
- Visalia, CA
- Fresno, CA

Program staff get to know the individual and advocate for him/her, visiting at both home and work or day program to ensure that these settings are appropriate. Visits are both scheduled and unannounced. Visits are made at least monthly, more often if needed because of health or other reasons.

By law the conservator/guardian plays a key role in making decisions affecting many aspects of the protected persons' lives. Program staff interact with the court, service providers, family, governmental agencies and other members of the interdisciplinary team to see that the needs and interests of the individual are being met.

While conservatorship or guardianship is a formal, legal relationship, The Good Shepherd Fund program also works to build a friendship with each individual being served. This enables the staff to better know what the individual's wishes and needs are, improving our ability to advocate effectively. A monitoring visit or attendance at a team meeting might include a meal out or a special shopping trip. Program staff arranges special recreational opportunities, as well: a beach trip, a dude ranch trip or taking the individual to visit family are examples.

The Good Shepherd Fund can be nominated to accept transfer of an existing conservatorship or guardianship or to initiate a new proceeding. The Fund can be nominated to step in upon the death of a family conservator by including this direction in a clause in the will or living trust – consult your family legal advisor.

New guardianship or conservatorship requests will be considered for individuals with developmental disabilities living in California, Oregon, and Colorado. Please contact afbahr@comcast.net for



further information.

Program staff also provide case management services to support a family Guardian or Conservator who wants professional input or additional support for the protected person.

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