Planning for the **unplanned vacation**

Would you ever walk out the door one morning and instead of going to work or the gym just go on a vacation for a month or two? No arrangements for who will attend to routine household matters, feed pets and water plants or handle bills and finances? While the spontaneity might be tempting, your household and finances likely would be in chaos when you returned. Unfortunately, that's most likely what will happen if you don't have a plan in place if you should unexpectedly be unable to maintain your personal affairs.

Most estate planning experts believe that planning for unanticipated events is as important – some would say more important – than who will inherit your assets.

Consider these questions:

- **If you are suddenly unable to manage your financial affairs**, do trusted loved ones have the legal authority to step in and continue for you without the need for court intervention?
- **Do family members know where your bank**, investment and retirement accounts are maintained? And if they do, will they have access to the funds in those accounts to pay your medical expenses and other bills?
- **Have you shared a list of your sources of income** and financial obligations with family members? What about your insurance policies, rent or mortgage information or credit cards?
- **Do you have a power of attorney and health care directive**, and do those entrusted to implement your instructions have the documents they need?
- **Who will know where to find the passwords** to your computer and financial accounts?

Understandably, few like to deal with such possibilities. If you have not, however, you are setting the stage for potentially costly and time consuming legal proceedings. And the judge's decision might not be what you would have wanted.

Avoid the chaos! Put a plan in place that will enable trusted loved ones to carry on for you – and share the information and documents with those who will need them.

THE UNITED STATES AIR FORCE ACADEMY
ENDOWMENT

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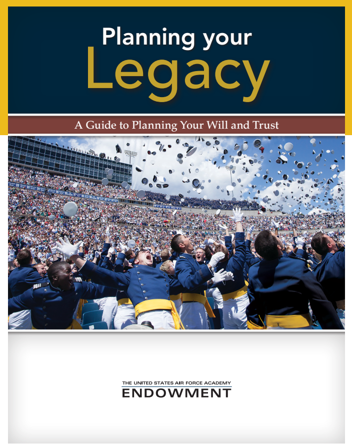


Return the enclosed card or visit **legacy.usafa.org/publications-form** to request a FREE wills guide and receive more information about estate planning and supporting the Air Force Academy through a bequest.

LEGACY

FALL 2018

THE UNITED STATES AIR FORCE ACADEMY
ENDOWMENT

A FINANCIAL AND CHARITABLE PLANNING GUIDE FROM THE UNITED STATES AIR FORCE ACADEMY ENDOWMENT

An evolution of giving — **Time to treasure**

For Larry Fariss '75, the USAFA experience always involved giving his time. It started when he entered Squadron 20 as a doolie and continued until well beyond his retirement from active duty in 2004.

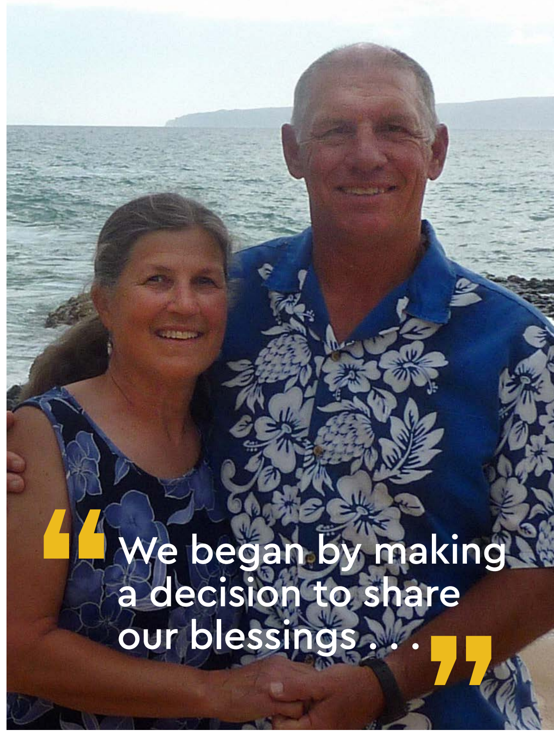
It began with him committing his spare cadet hours to athletics (wrestling and football) and leadership (CS 4 operations officer and football team captain), and it set a pattern that continued throughout his Air Force Career. As a junior officer he served as a graduate assistant football coach and recruiter as well as an Academy admissions liaison officer helping cadet candidates pursue their USAFA dreams. His final active duty assignments brought him back to the Academy as a colonel, where he served as director of athletic programs and then commander of the Prep School.

Once retired, remaining in Colorado Springs permitted him and his wife, Michelle, to still be involved with Academy life. They have sponsored 25 cadets, he has served on the board of the Association of Graduates and the AOG Class Advisory Senate, and he is currently a Prep & Wings officer and chairman of Class of '75 reunion gift committee.

"I have come full circle, from when my time was spoken for to now being able to give back at my own pace. And I love being fully immersed in the fabric of this great place," says the proud father of three sons, one of whom, Lt. Col. JD Fariss '01, joined him as part of the Long Blue Line.

Fariss now spends his non-Academy hours coaching football and wrestling at Air Academy High School, chairing a few community volunteer organizations and pursuing outdoor endeavors, such as hiking the Pacific Crest Trail, bicycling across America and skiing throughout the Rockies. Michelle Fariss is a retired school teacher and reading specialist who focuses on their five grandchildren. She is Mom Fariss to all the cadets who come through their home.

"The next evolution in our commitment to the Academy was to move from predominantly giving our time to ramping up the sharing of treasure," Fariss says. "We began by making a decision to share our blessings and have furnished financial support to help Air Force Academy athletic teams, the AOG and Endowment. When we realized



we will end up with more assets than we can reasonably anticipate needing, our trust was amended to leave a future legacy gift for USAFA." Their generosity is acknowledged by Sabre Society, Falcon Pride Club and Polaris Society recognition.

"The Academy changed the entire direction of my and my family's life. For that we have always been grateful, and we wanted to help others achieve their dreams. As a younger couple, we focused on giving back time. Now the focus is largely on sharing our treasure, and it feels good," Fariss says.

For more information on how to establish a future legacy gift for an Air Force Academy program, contact Dale Zschoche at the USAFA Endowment: dale.zschoche@usafaendowment.org or by 719-238-7510.

Responsible estate planning

Avoiding unintended consequences

There are many stories about estate plans gone wrong where assets have wound up with individuals who may not have been the intended recipients. The disputed assets are often financial, but family heirlooms and property with only sentimental value can also be the subject of such disputes. To help ensure that your estate distributes assets to those you want to have them, follow these seven steps.

1. Inventory the assets you own and how they are titled.
Make a list of your assets and document how they are titled. Include bank accounts, investment and retirement accounts, insurance policies, real estate, cars and the contents of your home. It is relatively easy to document the ownership of investment accounts, real estate and motor vehicles. It may be more difficult, however, to establish ownership of personal property such as jewelry. If you anticipate a challenge to your estate plan, document for future reference how you came to own the asset with proof of ownership if available.

2. Assess your family situation.
Determine if your family situation might complicate the distribution of your assets in your estate plan. Have you had multiple marriages? Children from more than one relationship? Are your household contents a combination of assets from you and a current spouse/partner that children from previous relationships might consider to be rightfully theirs? Your relationship and family history will instruct the documentation needed to ensure your assets get to the parties you wish to have them – without a court battle.

3. Understand the ways assets in your estate will be distributed.
Your will only controls assets going through probate, primarily assets owned in your name alone. Other assets, including retirement accounts, life insurance, and assets held in a living trust, will be distributed to those you named on beneficiary designation forms. When was the last time you reviewed these forms? Jointly held assets such as your home will automatically pass to the surviving joint owner. Your will may only serve to distribute a small percentage of what you own.

4. Keep your documents in a secure but not secret place.
All documents that will control the distribution of your assets should be kept in a secure place known to a trusted family member or friend. If you have a concern that documents may get misplaced or lost, have your attorney keep your original documents.

5. Discuss your estate plan with affected family members.
This can be a difficult discussion, but it is a necessary one, especially if part of your plan will come as a surprise to loved ones.

6. Review your estate planning documents periodically.
Estate planning documents need to reflect the current realities of your life. As family relationships change, new members come into the family and older members pass away, your documents may need to be updated. At least every five years review your will or living trust, beneficiary designation forms, and other documents that control the assets that will pass from your estate.

7. Use a competent attorney to prepare the necessary documents.
Have a competent estate planning attorney develop a plan and draft the documents needed to carry out your plan. You should have a will, even though the majority of your assets may pass to beneficiaries you name in other documents. A well-structured estate plan supported by professionally drafted documents is the best way to ensure your assets go to those you want to have them.

> **"Well-intentioned parents have been known to take actions with their assets that can lead to financial stress and worse."**

Parents do the **darnedest things**

Well-intentioned parents, wanting to ease the transfer of assets to their grown children and to hopefully avoid taxes, have been known to take actions with their assets that can lead to financial stress and worse. If parents have transferred assets into a child's name, those assets may be at risk if that child faces divorce, creditors, addictions or other life challenges.

Parents should consider the following advice as they plan for distributing their estate.

- **Keep your assets in your name.**
  Adding your children's names to bank accounts, investment accounts or the deed to real estate could expose these assets to unexpected problems. If your child gets sued or divorced, your assets may become the subject of claims of adverse parties. Also, there can be costly tax consequences to your children when assets are transferred to them while you are still living. If your goal is to enable the transacting of financial affairs in the event of your incapacity, the better way to proceed is to give the child a power of attorney.

- **The person you name as your power of attorney must be impeccably trustworthy.**
  A power of attorney will enable your child to access your assets and transact business on your behalf. There are several types of powers of attorney, from giving your child the immediate right to transact business or some right in the future should you become disabled. Be certain the child you give these powers to understands the magnitude of the responsibility. One option is to appoint two of your children to act jointly, requiring both signatures.

- **Do your estate planning now.**
  Doing an estate plan is work. It also forces you to confront family issues that you may prefer to avoid. The state where you reside has an estate plan for you if you haven't done your own. It's called intestacy. The only problem is you may not like how the state will require that your assets be distributed. If you know that a child has an issue where passing assets into that child's control is not financially prudent, your estate plan can address that. An intestacy distribution will not.