

Helping Hand Endowment Program:

What is an Endowment (Waqf)?

Endowment (Waqf) is a type of sustainable charitable giving that is held in a perpetual trust for specific philanthropic causes. Hence, the original donation of the endowment always remains intact, but the profits are perpetually utilized for specific philanthropic purposes.

Additional details about Endowments (Waqf):

An endowment (Waqf) is a permanent, irrevocable devotion of wealth to Allah for philanthropic purposes.

An endowment is a type of common asset–

A donor cannot repossess or revoke a donation given for an endowment and no person can ever become its owner, as endowments are considered given to Allah. Although endowments are considered dedicated to the God, the benefits of the endowment are for mankind.

A permanent charitable giving –

Endowments are meant to be endless charitable giving. The endowment will in theory last forever.

How does it work?

Donors make a gift of money, property or other assets that are invested by our Investment partners and Trust (currently with <https://azzadasset.com>). The earnings from this investment will be used to support HHRD operational cost and select programs as per donors wish.

Here at HHRD we will be using the funds from the investment of Endowment, to cover our operational cost in order to spend donor's funds 100% in the field to help our beneficiaries. We plan to use the return on investment as we grow, to offset operational cost of our programs and campaigns. Our target amount for HHRD Endowment fund is \$100 million dollars.

Distribution of Investment returns:

From \$0 - \$100 Million

Earnings will be split as follows:

- 50% - Programs
- 50% - Re-invest

Over \$100 Million

Earnings will be split as follows:

- 50% - Support / Admin
- 25% - Programs
- 25% - Re-invest

Benefits of Endowment (Waqf)

Establishing an endowment (Waqf) is one of the most rewarding deeds a Muslim can perform in his or her lifetime.

- Donors who establish an endowment are creating a type of sadaqah Jariyah (continuous charity), and hence the donors are reaping continuous blessings.
- Donors are reviving an established sunnah (practice) of the Prophet(S).
- Donors are providing a sustainable long term model for philanthropic endeavors

Ways to Give

Outright Donations - An outright donation is immediate and occurs when an individual deeds real property to HHRD. Types of outright donations include:

- **Cash**
 - A gift of cash, check or by making an Endowment (Waqf) payment by card is the simplest form of giving an individual can make to the Endowment. When making a gift of cash, you can decide whether you would like to make a one-time donation or set up a monthly recurring payment. Monthly or recurring giving is a great option for individuals who want to do more than just write a single check or make one online donation. These can be set up as an automatic payment that is debited from your checking account or charged each month. A recurring gift will provide HHRD with a reliable stream of income.
- **Stocks**
 - Make a gift of stock or mutual funds through a transfer from your brokerage account. Donors can see combined tax savings of up to 70% of their gift, when they donate appreciated stocks or mutual funds. Donating appreciated assets avoids federal capital gains taxes and provides a federal income tax deduction for the current market value of the gift. Similar state tax benefits are also provided in most of the country. We encourage you to consult with a trusted financial advisor regarding the impact a gift of stock will make on your tax situation. A great illustration of the benefits of gifting appreciated securities here: <https://mankato.mnsu.edu/giving/ways-to-give/gifts-of-stock/>
- **IRA Gifts**
 - For individuals age 70.5 and older, a Qualified Charitable Distribution (QCD) may be the best way to use your IRAs to maximize your charitable impact. A QCD is a direct transfer of funds from your IRA custodian, payable to a qualified charity. QCDs can be counted toward satisfying your required minimum distributions (RMDs) for the year, as long as certain rules are met. In addition to the benefits of giving to charity, a QCD excludes the amount donated from taxable income, which is unlike regular withdrawals from an IRA. Keeping your taxable income lower may reduce the impact to certain tax credits and deductions, including Social Security and Medicare. As always, we encourage you to consult with a trusted financial advisor regarding your particular situation.
- **Land or Property**
 - A traditional Endowment (Waqf) donation is land or property that can either be used to generate ongoing income for the Endowment or for community benefit. For example, a commercial building owner can donate the building to the Endowment which is then not only added to the Endowment assets but managed so that rental revenue are used to support HHRD programs and projects.

▪ Donor Advised Funds

- A Donor Advised Fund (DAF) is like a charitable investment account, for the sole purpose of supporting organizations like Helping Hand USA. When you contribute cash, securities, or other assets to a DAF, you are generally eligible to take an immediate tax deduction. Then, at your recommendation, grants are directed to charities of your choice. It's a flexible way to manage your giving and can often result in more money going to the causes you care about. Anyone can set up a DAF, and our team can guide you through the process of directing a gift to Helping Hand USA.
- (Note: Many of our supporters give stock, grant from Donor Advised funds (DAFs), or make a Qualified Charitable Distribution, all of which are more "tax-smart" than giving cash. To explore these options further, please [\[click here to link to the pages with these giving types\]](#)).

▪ Qualified Charitable Distribution (QDC)

- A Qualified Charitable Distribution is an excellent way to give if you are 70½ years or older, allowing you to donate up to \$100,000 from your IRA directly to a qualified charity without having to include the distribution in your taxable income. The benefits? Your generosity meets your required minimum distribution, could reduce your taxable income, and most importantly, it empowers our mission.

▪ Required Minimum Distribution

- An RMD is the minimum amount you must withdraw from your retirement accounts annually, starting at age 72. While RMDs are often seen as a tax obligation, they also offer a unique opportunity for giving. By donating your RMD to Helping Hand USA, you can satisfy your withdrawal requirements and potentially reduce your taxable income. It's a win-win situation – you give in a tax-smart way while making a significant impact on the lives of those in need.
- Not only is this method of giving beneficial for you, but it also allows us to plan and execute long-term projects that can change the trajectory of entire communities. Whether you are considering a gift of stock, a grant from a Donor Advised Fund, or a Qualified Charitable Distribution from your RMD, your contribution will be the cornerstone of hope for so many.

▪ Matching Gifts

- Many companies will match the donation of their employees to registered charities up to a certain dollar amount annually. Check with your HR Department to see if your company will match your gift and increase your impact to HHRD.

Planned Giving - Planned Giving allows donors to make plans to leave large gifts (money or assets) to HHRD at a future date, either during their lifetimes and/or after death in their will.

▪ Bequest

- Bequests are gifts that are made as part of a will or trust and payable upon a donor's death. Bequests can be simple—"I give \$1,000 to HHRD"—or complex, with conditions about how the gifts can be used.

▪ IRA Beneficiary Designation

- It is as simple as naming HHRD as beneficiary of all or a percentage of your IRA or company retirement plan. As HHRD is tax-exempt, after your death it can withdraw the assets from the retirement account without having to pay income taxes on the withdrawal.

- **Life Insurance Beneficiary Designation**
 - Naming HHRD as the beneficiary of your life insurance policy is the simplest way to provide a charity with the death benefit proceeds from a policy. It also reduces the donor's estate by the amount of the death benefit.
- **Charitable Remainder Trust**
 - A Charitable Remainder Trust (CRT) is a gift of cash or other property to an irrevocable trust. The donor receives an income stream from the trust for a term of years or for life and HHRD receives the remaining trust assets at the end of the trust term or upon death.
- **Charitable Lead Trust**
 - A charitable lead trust (CLT) is a gift of cash or other property to an irrevocable trust. HHRD receives an income stream from the trust for a term of years. Depending on how the trust is structured, the donor enjoys a current income, gift, or estate tax deduction on the donated assets. After the income stream period ends, the remainder assets are distributed to the non-charitable beneficiaries listed by the donor.

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