



In support of **The Improving Financial Awareness & Financial Literacy Movement in Ghana** built around the strategic venues of

- *Financial Literacy Month (April)*
- *Estate & Gift Planning Awareness Month (October)*

This feature column contains some very important messages

<http://uqbs.ug.edu.gh/association>

Improving Financial Awareness & Financial Literacy Feature Column Series 002 Issue | Vol 2 | 2022

## It is Time to Protect Your Family & Your Future

The vast majority of our adult population does NOT have nor realize the importance of not having a current or up-to-date estate and gift plan to protect themselves, their family, and their assets; which can include most of your family, friends, and colleagues.

If you are a business owner or executive within an organization, estate and gift planning is not only important to you and your family, but to the success and continuation of your business.

Estate and gift planning is a financial process that can protect you, your family, and the future of your business as well as a very important component of your overall personal and business financial planning.

### TODAY'S THOUGHT

*"The only person who doesn't need an estate and gift plan is the one who lives forever and never gets sick."*

*-Your financial PARTNER*

**Now is the perfect time to put your estate and gift planning house in order**

### Getting Sick

If you don't have an up-to-date estate and gift plan and you happen to get hurt or sick and cannot manage your health or financial affairs, the courts will have to appoint someone to manage them for you.

The person appointed might not be the one you would want to perform those tasks.

If you were a business owner, who would you want to perform this function, so when you return the business is still operational?

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**Alert:** We believe sharing financial awareness and financial literacy can be highly contagious!



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## When You Pass (Die)

Without an estate and gift plan, when you pass away, your affairs will be settled by default through a complex legal system dealing with the laws of intestacy, inheritance, succession - "intestate succession and probate." This is further complicated as Ghana recognizes not only statutory laws, but is also guided by various religions and customary succession rights. Therefore, when a legal dispute arises, it is often difficult to establish which law to apply. Not only are there different forms of succession laws in Ghana, but these laws must coexist with marriage laws and the 'received English law'.



The handling of your financial affairs can turn into a costly and frustrating ordeal for your family and heirs. Your assets may not pass to their desired party, and there are no ways for your legacy plans, or assets (significant or modest) to get to their favorite charities or causes unless some advance arrangements are made.

As a sole business owner what will happen to your business? If it is a valuable asset for your family, will it be kept intact and functional? Who will operate it and how? Or will it be packaged and sold to provide funds to the family? If so how will this be done and by whom?

If you are a business owner and have partners, what will happen to your interest? Will your children and spouse and other family members become the new partners in the business with other partner(s)? Will this help the business or hurt it? Or will the surviving business partners (shareholders) buy out the deceased owner's interest? Will that be at a fair price or a discounted one?

For executives who work in a company, do you have a session plan when key executives and owners die or get sick?

### What ... No Estate & Gift Plan!!! Who Gets What In Ghana?

Building Blocks to Successful  
Estate & Gift Planning

If you were to die without a will with	This might happen
<p><b>a spouse and children</b></p>	<p>Spouses and children are entitled to the household chattels (i.e. jewellery, clothes, furniture and household appliances, simple agricultural equipment, motor vehicles and household livestock).</p> <p>If the deceased's estate includes one house, the spouse and children are entitled to it and will hold it as tenants-in-common. If the deceased left multiple houses, the spouse and children are entitled to only one house.</p>
<p><b>The Intestate Succession Act contains further complicated formulas for the division of the estate among various relatives.</b></p>	<p><b>For the Residue (Balance)</b></p> <ul style="list-style-type: none"> <li>• 3/16 goes to the surviving spouse</li> <li>• 9/16 to the surviving children</li> <li>• 2/16 to the surviving parent and</li> <li>• 2/16 is according to customary law</li> </ul>
<p><b>For instance, where the intestate is survived by a spouse and children:</b></p>	<p>However, experience shows that many Ghanaian families do not follow the provisions of the Intestate Law, fearing it would dissipate their property. Many families follow Customary Law.</p>
	<p>The complex nature of intestate succession presents Ghanaian courts with difficult choices when determining which laws to apply.</p>
<b>Would this meet your desires?</b>	

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## Crafting YOUR Estate & Gift Plan

The crafting of a good estate and gift plan starts with planning, followed by the proper drafting and signing of appropriate legal documents such as wills, trusts, buy-sell agreements for business owners, powers of attorney for financial management, and an advance health-care directive or health-care power of attorney. Having these documents in place saves you and your family a lot of money and time at a very difficult and emotional period.

Your estate and gift planning should also address the coordination of the way you hold title to your various assets, your beneficiary selections on retirement plans and any life insurance, and the possible transfer of certain assets while you are alive.

Regardless of the extent of your net worth, estate and gift planning is important for everyone. Complex strategies may be used by wealthy people to reduce taxes and costs, and arrange for asset management for family members not capable of such management. Others may only require a simple will and/or trust to pass on property to their heirs and provide for minor children.

Even if a simple will and power of attorney are all you require, an estate and gift plan is an essential part of your financial and gift planning. Everybody will need it someday. The time to address or update your estate and gift plan is now.



## Walking Through the Process



**1. DEFINE YOUR GOALS:** *What do you want to happen to your assets in the event of your death or disability? If your beneficiaries predecease you, who are your alternate selections? How will your assets be distributed, and when will these distributions take place?*

- ❑ *Decisions on the distribution of your assets should take into account the size of the estate, the ages and abilities of your children and family members, and your personal desires. For example, if you have a larger net worth a distribution to children over time might be wise and consist of something like this: 10 percent of the estate at age 18, 25 percent at age 21, 50 percent at age 24 or upon completion of college, and the balance at age 30.*

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- ❑ Choose your appointees for important roles: Who will be your executor and, if applicable, trustee and/or guardians? These are parties that will perform specific functions to help to settle and manage your affairs. It is advisable to list at least a first and second alternate for each appointment in case your first choice is unwilling or unable to serve.
- ❑ If you have children who are minors, the appointment of a guardian is probably the most important decision you'll make. With the court's approval, this person, or persons, will raise your children. Consider appointing a family member and spouse, or another close couple who'll care for your children the way you would want.
- ❑ You may want to consider listing multiple executors, trustees and guardians to serve together in handling the details of your estate. This can provide a check-and-balance system for the appointees and help them avoid oversights or misappropriations. Consider appointing family members, friends, professionals, advisers and/or trust companies for this position. If you have business holdings you may consider having separate appointees to perform these functions as they related to the business(es).
- ❑ There is some risk with multiple appointees as well: If these people disagree and have problems, they can each be represented in court by counsel paid for by your estate to defend or allow their actions, so be very careful in making your selections.
- ❑ Living trusts have become popular for domestic and international reasons for those with those of wealth because they offer more privacy and less administration is required in comparison with a will. Be aware that having a living trust does not eliminate the need for a will and administration at either the first or second spouse's death.
- ❑ To get the benefits of the trust, certain details must be attended to, and this is the job of your appointees. For example, the trust must be funded and managed properly or benefits can be lost.
- ❑ Is estate privacy an issue for you? Do you want your estate to be public record upon your death? Do you have any special gifts you want to be made for charity? Do you want an elderly parent or friend to be financially cared for? All of these circumstances should be noted in your plan.

**2. GATHER & ORGANIZE YOUR DATA:** There are three basic tasks to be accomplished:

- ❑ Review and update your financial position.
- ❑ Review how you hold title to your assets. Is it consistent with your estate and plan?
- ❑ Review your beneficiary selections. Are they aligned with your estate plans?

**3. ANALYZE YOUR SITUATION:** Start by determining your current net worth, assuming your death occurred today. This can be done by totaling your current assets and liabilities and adding the value of any life insurance. Try sketching a picture or flow chart of your existing estate and gift plan. If you have not written a plan, the default laws, customs, and religious beliefs all have one for you and the courts will make the final determination. Review your appointees:

- ❑ Executor
- ❑ Guardian of the Person/of the Property
- ❑ Trustee
- ❑ Power of Attorney - Financial Management
- ❑ Advance Health-Care Directive or Health-Care Power of Attorney
- ❑ Business Owners: Buy-Sell Agreement, Session Plan

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**4. DEVELOP YOUR STRATEGIES:** With the assistance of your estate planning advisor(s), identify the legal documents that need drafting or make any necessary adjustments to existing documents. Determine any other actions that must be taken for your wishes to be carried out.

**5. IMPLEMENT YOUR PLAN:** Do what needs to be done -- i.e., update or create new wills, trusts and powers of attorney, if required adjust the title to your properties, and change alternate beneficiaries of retirement plans and life insurance policies. Consider making current or planned gifts to your family and your favorite causes and nonprofits. Provide your executors and trustee with a location sheet as to where you keep things.

**6. TRACK & MONITOR YOUR PROGRESS:** Check your estate and gift plan annually or any time there are changes in your family situation or net worth. Use your financial planning calendar to schedule your next review.

<https://www.home.thefinancialawarenessfoundation.org/pdf/TFAF-CFLE-UG-12MonthFinFitnessCalendar.pdf>



How are you doing with the other areas of your personal financial management? Are you touching all the bases?



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Be sure to support The Improving Financial Awareness & Financial Literacy Movement's personal finance content blitz built around the strategic campaign venues of April known as Financial Literacy Month and six months later during October known as Estate & Gift Planning Awareness Month, by getting and keeping your financial, estate and gift plans in order.

**Wishing you and your families all the very best,**

*Benjamin, Peter, and Valentino*

Visit **The International Improving Financial Awareness & Financial Literacy Association's** website to learn more about financial, estate and gift planning. <http://ugbs.ug.edu.gh/association>



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## Introducing...

# The International Improving Financial Awareness & Financial Literacy Association at The University of Ghana (FA Association)

## Our Mission is to Significantly Improve Financial Awareness & Financial Literacy in Ghana. We envision a Ghana and a World where every person is well educated and has personal

finance knowledge - an essential life skill - necessary to make lifelong informed financial decisions while having access to the right financial advice and the skills and tools to manage their finances. Providing everyone the opportunity to achieve and maintain their financial stability, security, and freedom throughout their lives, while they pass on their values, knowledge and assets to future generations to make their lives and this world a better place.

## The FA Association Aims & Objects

- To serve as a forum for member students, faculty, staff and alumina for the discussion of matters relating to financial awareness and financial literacy.
- To foster close co-operation and brotherly relationships among Members of the Association.
- To assist the financial service industry in promoting financial awareness and financial literacy in Ghana.
- To organize lectures, symposia, picnics and fundraising to support the University of Ghana, and The Improving Financial Awareness & Financial Literacy Movement in Ghana, Student Scholarships, Faculty Grants, and other worthy causes.
- To promote and maintain the spirit of friendship among members of The Association.

## Headquarters

- The FA Association Headquarters are at the University of Ghana, Department of Finance within the University of Ghana Business School, P.O. Box LG 78 Legon, Accra
- Dr. Benjamin Amoah, PhD, Patron Coordinator +233 24 759 9606 [benamoah@ug.edu.gh](mailto:benamoah@ug.edu.gh)
- <http://ugbs.ug.edu.gh/association>

## Membership

- Membership of The Association shall in general be open to all persons who are within or support the University of Ghana Community.
- At this time there will be no membership subscriptions or fees.
- Membership Application - <http://ugbs.ug.edu.gh/association>

## Preview of what we will be doing

- Leadership role in **The Improving Financial Awareness & Financial Literacy Movement in Ghana**
- Assist in developing and delivering Financial Awareness & Financial Literacy Curriculum Programs for all university students, faculty & staff, and alumni
- Establishing **The International Improving Financial Awareness & Financial Literacy Research Center at UG**. This will provide ongoing longitudinal, technical & academic research to monitor The



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Movement and its advancements, make improvements where necessary, and provide political leadership with valuable economic insights

- Initiate Professional Certification & Training Programs for financial service professionals.
- Establishing Incubators / Accelerators to identify, assemble, create, and help launch and nurture / guide the successful growth of new and existing businesses.
- Develop a Network of Volunteers and Ambassadors that support **The Movement** and efforts at the University and throughout the University Community.
- Fundraising for UG & UGBS



## The Improving Financial Awareness & Financial Literacy Movement

Ghana has a population of over 31 million with a workforce of about 66%, and an unemployment rate near 4.6%. However, this leaves over 4 million Ghanaians (13% of our population) so poor that they cannot afford three meals a day for themselves and their family; in rural areas, it is higher. Many are struggling to survive on less than \$1.90 USD per day. (International Poverty Line).



With COVID-19 and The War, this is getting worse while we are also experiencing increases in debt. We are not taught at home or school about planning for our future and why it's important to have current financial, estate and gift plans to protect ourselves and our families. We have a collection of serious problems resulting in a high percentage of poverty coupled with a lack of financial awareness resulting in a serious financial illiteracy epidemic. This places a HUGE growing amount of pressure on families and friends, employers, nonprofits; as well as the ultimate safety net the government. This is not just a local epidemic it's an international one.

Most people are not taught the essential principles of smart money management – the foundation of personal finance knowledge - at home or in school. Thus they don't have the proper tools to address everyday money decisions in an informed manner. This jeopardizes their financial and physical wellness, and their ability to realistically achieve and maintain their personal and family financial dreams, let alone enjoy a financially secure debt-free future.

To help address the lack of financial awareness and the financial illiteracy epidemic a team of dedicated

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concerned Ghana parties began taking an active leadership role to recognize organizations and their management and individuals that are championing improving financial awareness and financial literacy. They began uniting them with other associations, organizations, nonprofits, educational institutions, municipalities, employers, the news media and concerned individuals to actively focus this vast community resource into **The Improving Financial Awareness & Financial Literacy Movement** with its semi-annual concentrated personal finance content media blitz around the strategic campaign venues celebrating

- April being known as **Financial Literacy Month in Ghana**, and six months later with
- **October being known as Estate & Gift Planning Awareness Month**

The plan is to touch everyone at least twice a year through these strategic campaign venues, with educational and motivating content, reminders and tools for making wise informed lifelong financial decisions and to get and keep your financial house in order by having current financial, estate and gift plans.



To learn more about **The Movement** and how it can benefit you and your family, your business and the Ghana economy and so much more take a look at **The Movement's Executive Summary / Overview** by clicking on the graphic or at this address

<http://www.thefinancialawarenessfoundation.org/pdf/TFAF-TIFA-FLMovement-Ghana-ExecSum.pdf>

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