

# GIFTS OTHER THAN CASH

*Equal Sacrifice Not Equal Amounts*

Consider transferring ownership of financial assets like stocks, bonds and mutual fund shares.

## WHAT KIND OF ASSETS SHOULD I GIVE?

Appreciated investment property held more than one year, such as publicly traded stocks, mutual fund shares, bonds, real estate, and other such readily marketable property have tremendous tax advantages. Separately, the proceeds from the sale of personal property such as automobiles, collectables, jewelry and other items may also be given. There may be no capital gains tax benefits to these gifts, but the financial and spiritual benefits can be tremendous.

## WHY GIVE GIFTS OTHER THAN CASH?

The tax code is very generous toward this form of giving. Giving the asset to the church, then letting the church sell eliminates potential capital gains taxes and can increase the after tax proceeds.

## HOW DOES THE TAX BENEFIT WORK?

Itemized Deduction - The individual or business is allowed to include 100% of the market value of most such assets as charitable contributions for tax purposes if held more than one year. Capital Gains - The transfer of property does not generate a capital gains tax. The church, as a tax exempt entity, will realize the full market value, less transaction costs, at the time of sale without paying capital gains taxes.

## WHAT IF I SELL FIRST THEN GIVE THE CASH?

You may be subject to capital gains taxes thereby reducing the after tax proceeds from the sale.

	Sell First	0-T-C
Market Value	\$20,000	\$20,000
Cost Basis	-\$10,000	-\$10,000
Gain	\$10,000	\$10,000
Tax (assuming 20%)	\$2,000	0
Church Receives	\$18,000	\$20,000

## HOW DO I TRANSFER THESE GIFTS?

For stocks, mutual fund shares and bonds, if held "in street name"...

Contact the church office. We will provide you with the transfer instructions.

Contact your broker and request the transfer. You will be provided with stock powers or transfer papers to complete the transfer.

When you have completed the transfer, please notify the church office. We can answer any questions you might have. No decisions regarding giving should be made without consulting your tax professional.

# CREATIVE GIVING STRATEGIES

*Each of you must give as you have made up your mind, not reluctantly or under compulsion, for God loves a cheerful giver.  
-II Corinthians 9:7 NRSV*

By "thinking outside the box," many people have found creative methods to increase their giving.

## CASH FLOW GIFTS:

A person can give significantly by giving smaller amounts at higher frequencies. Weekly, semi-monthly, or monthly giving allows large gifts to be reached in smaller steps. You may want to take advantage of the simplicity of electronic funds transfers for this giving option.

## DIVERTED FUNDS GIFTS:

Freeing up funds which are currently going to other areas of spending allows a person to increase giving to God's work. Diverting funds from entertainment, dining out, dues, subscriptions, gifts, allowances, utilities, or transportation, offers lifestyle adjustments which impact one's giving.

## DELAYED EXPENDITURES:

The delaying of purchases allows a person to significantly increase giving. The acquisition of major items such as automobiles, clothing, or trips, when postponed, allows substantial giving opportunities.

## EXPLORE EMPLOYER MATCH:

Many companies will match your charitable contributions, up to a set amount. Check with your HR department to find out if your employer will match your gift!

## INCOME PRODUCING ASSETS:

Interest income, payments from rental properties or monies from other income producing assets provide a source for increased giving.

## SALE OF ASSETS:

Sale of major assets, such as a house, car, land, or business provides available income for giving.

## RAISES / BONUSES:

Dedicating one's forthcoming raises and bonuses is a creative method people have used to increase giving.

## CORPORATE GIFTS:

Those who have used their business as a source for giving have made significant donations.

## CHARITABLE GIVINGS RESOURCES:

Reviewing all of one's charitable donations in light of their impact on the kingdom of God affords a resource for significant giving.

## SAVINGS AND ANNUITIES:

Savings for special projects, retirement or a "rainy day" may offer a resource for increased giving. Often we realize that a portion of our savings may safely be given to the work of God's Kingdom through our church.

## ADDITIONAL WORK INCOME:

Taking a second job or part-time job or coming out of retirement are successful strategies people have used to increase giving.

## FREEDOM FROM DEBT:

As a person looks ahead into the next three years, he or she may discover that debt obligations will be fulfilled. This frees up revenue for additional giving.