



## CREATIVE STRATEGIES IN GIVING

### A LOOK AT ONE FAMILY'S COMMITMENT TO INCREASED GIVING

Activity	Week	Yearly	Three-Years
Eliminate 1 Meal Dining Out	\$30	\$1,560	\$4,680
Cut Back on Coffee or Sodas	\$5	\$260	\$780
Reduce Discretionary Spending	\$12	\$624	\$1,872
Cancel Subscription Service	\$10	\$520	\$1,560
Cut Back on Groceries	\$10	\$520	\$1,560
<b>Approximate Three-Year Total</b>			<b>\$10,000+</b>

# CREATIVE GIVING

NO DECISIONS REGARDING GIVING SHOULD BE MADE WITHOUT CONSULTING YOUR TAX PROFESSIONAL.

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.

## 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.

**GIFTS OF ASSETS:** Gifts of major assets, such as a house, car, land, or business provides available income for giving.

**INCOME-PRODUCING ASSETS:** Interest income, payments from rental properties, or monies from other income-producing assets provide a source for increased 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.

**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.

**IRA GIFTS FOR SENIORS:** Individuals who are 70 1/2 or older may choose to make qualifying charitable distributions of up to \$100,000 per year from their IRA without paying personal income tax on the gift. The amount does apply toward annual Required Minimum Distributions (RMDs). The gift must be made from the IRA custodian directly to the church.

# GIFTS OTHER THAN CASH

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, collectibles, and other such readily marketable property have tremendous tax advantages. Personal property such as automobiles, jewelry and other items may also be liquidated. 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 and 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, minus 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	TRANSFER ASSET
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”...

1. Contact the church office. We will provide you with the transfer instructions.
2. 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.