

# Who says

*“It has to be cash”?*

*Sometimes giving begins  
in your own backyard.*

*It is a little-known fact that property of all kinds  
can be given to further our fund appeal.*

The possibilities are limited only by your imagination and circumstance. Since donations of property are based upon worth, not cost, you may be in a position to give something of far greater value than what it cost initially to acquire. You can also expect to take a tax deduction for the fair market value of the property at the time it is given. Depending on your circumstances, an appraisal from a qualified source may be required for any deductions of \$5,000 or more.

## **Real Estate?**

This option covers a lot of ground. Literally! Basically, if it has a deed, you can gift it. The possibilities include vacation homes, undeveloped land, commercial and rental properties.

## **Personal Property? Absolutely.**

It could be something you inherited... a collection or a piece of fine art. It could be a vehicle you no longer need. The possibilities are many, and the cause is a great one!

If you need more information or assistance with making creative gifts to Grace Lutheran Church, please call the church office at 815-633-8075 or consult with your tax advisor.

STEP 3



# Who says

*“It has to be cash”?*

*Give more than you thought possible.*

*This is the benefit of including assets as a part of your giving! The monetary value of the gift typically exceeds what you might give as cash outright. In fact, cash doesn't even enter into the picture. In most cases, asset-based giving is as simple as assigning ownership to the church. Of course, there are many variations on this theme. Here are just a few to get you thinking.*

# Who says *‘It has to be cash’?*

## Life Insurance

There are special ways you can use life insurance as a gift-giving device. Some examples include:

- Give the cash value accumulated in a policy .
- Donate the annual dividends of a policy.
- Designate the church as the beneficiary of the policy.

## Appreciated Assets

Grace Lutheran Church can accept gifts of land or other real estate, stocks, bonds, mutual funds, works of art or other types of personal property. For example:—Stock purchased in 1990 for \$5,000 could have a market value of \$21,000. Rather than selling the stock and paying income tax on the \$16,000 capital gain, you can transfer the stock to the church and take a tax deduction based on the market value of the stock at the time of the gift. In this way you would maximize your gift, maximize your tax deduction and, at the same time, minimize your tax liability.

## Maximize your gift. Minimize your taxes.

The advantages of giving stock can be dramatic. The example below is based upon a gift to the church of \$21,000 and assumes a 35% marginal tax rate and an 18% combined capital gains tax (15% federal/3% state).

Compare & Rejoice!	Gift of Stock	Gift of Cash
Value of the gift	\$21,000	\$21,000
Charitable Tax Deduction	\$21,000	\$21,000
Original Cost of the Stock	\$5,000	
Capital Gains	\$16,000	
Capital Gains Tax Avoided	\$2,880	
Tax Savings	\$7,350	\$7,350
<b>Total Tax Savings</b>	<b>\$10,230</b>	<b>\$7,350</b>

## Retirement Accounts

Distributions from retirement accounts such as IRA’s and qualified retirement plans could be given to the church. Also, a special provision may be available to have part or all of your IRA Required Minimum Distribution (RMD) given directly to the church if age 70 1/2 thus providing potential additional tax benefits. Many people have an IRA or pension account which names a beneficiary on the account. Naming the church on part or all of the account allows the distribution at death to pass tax-free to the church. All of the topics above should be discussed with your tax accountant or attorney.

## Deferred Gifts

There are a variety of ways to give through trust funds, which have advantages for short-term and long-term giving, as well as tax planning. A financial advisor can detail the plans available for giving to the church through various trusts.

## Bequests or Planned Giving

Making an unrestricted gift, or designating the Building Fund, through a will or trust is another significant expression of stewardship. This allows a person to make a significant contribution that may not have been possible during life. Such an estate gift will have a lasting impact on our ministry.

## Assistance with Giving Options

Consideration to the special ways of giving described in this pamphlet can lead to action that will greatly benefit the congregation’s work and ministry and be of personal benefit as well.

If you need more information or assistance with making creative gifts to Grace Lutheran Church, please call the church office at 815-633-8075 You should also consult with your personal tax attorney or accountant.