

GIFTS-IN-KIND

WHAT ARE GIFTS-IN-KIND?

- Transferring ownership of an asset, rather than selling the asset and giving the cash, is a gift-in-kind.

WHAT KIND OF ASSETS SHOULD I GIVE?

- Appreciated investment property held at least one year, such as stock, mutual fund shares, bonds, real estate, collectibles, and other such property have tremendous tax advantages.
- Personal property such as automobiles, jewelry, and other items may also be given. There are no capital gains tax benefits, but the financial and spiritual benefits can be tremendous.

WHY GIVE GIFTS-IN-KIND?

- The tax code is very generous toward this form of giving.
- Giving the asset to the church and allowing the church to sell it eliminates capital gains taxes, thereby increasing the donation.

HOW DOES THE TAX BENEFIT WORK?

- **Itemized Deduction:** The individual or business is allowed to include 100% of the *market value* of the asset as charitable contributions for tax purposes if held at least 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 proceeds from the sale.

	<u>Sell First</u>	<u>G-I-K</u>
Market Value	20,000	20,000
Cost Basis	-10,000	-10,000
Gain	10,000	10,000
Tax (assuming 20%)	2,000	-0-
After-Tax Proceeds	18,000	20,000

HOW DO I GIVE GIFTS-IN-KIND?

- For stocks, mutual fund shares, and bonds:

TRANSFER INSTRUCTIONS
(if held in "Street Name")

1. Contact your broker and request the transfer.
2. Your broker may contact Lynne Zenier at Grace Presbyterian for information regarding the church's broker, DTC number and account number.
3. You will be provided with stock powers or transfer papers to complete the transfer.

Questions? Contact Lynne Zenier at the church office. Phone: 702-384-4554
Email: lynne@gracepcclv.org

- For stock certificates in your possession, you will need to endorse the certificates and have the signature "guaranteed" by a financial institution in the "Medallion Stamp Program."
- For other types of assets contact Lynne Zenier at 702-384-4554.

OTHER STRATEGIES

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.

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. Postponing the acquisition of major items such as automobiles, clothing, or trips allows substantial giving opportunities.

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

SALES OF ASSETS: Sale of major assets, such as a house, car, land, or business provide available income for giving.

RAISES / BONUSES: Dedicating one's forthcoming raises and bonuses is a creative method 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.

UNIQUE SKILLS INCOME: Some people have marketable hobbies or skills, which enable them to give from those new profits.

CHARITABLE GIVING RESOURCES: Reviewing all of one's charitable donations in light of their impact on the kingdom of God may afford 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.

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

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.

CREATIVE STRATEGIES IN GIVING



The Leadership Team offers the following thoughts as you prayerfully consider your gift to the **Building on a Foundation of Grace** Capital and Annual Stewardship Campaigns

*“Consequently, you are no longer foreigners and strangers, but fellow citizens with God’s people and also members of his household, **built on the foundation of the apostles and prophets, with Christ Jesus himself as the chief cornerstone.** In him the whole building is joined together and rises to become a holy temple in the Lord. And in him you, too, are being built together to become a dwelling in which God lives by his Spirit.”*

Ephesians 2:19-22

Grace Presbyterian Church

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PRAYER NOT PRESSURE

It may be expressed in various ways, but the root of the concern is always the same. Some of you may be wondering when the pressure and manipulation to give is going to begin. The very nature of this campaign does not allow for anyone to be pressured into giving. You will never be told what you should give...not at any point in the program. Your financial involvement is a decision between you and the Lord.

Giving is a part of worship, but giving must come from your heart to please God, not just from a checkbook to satisfy a program.

Please continue praying:

“Lord, what do You want to do through me as it relates to Your will for this church?”

*Each man should give what he has decided in his heart to give, not reluctantly or under compulsion, for God loves a cheerful giver.
II Corinthians 9:7*

NOTE: Any discussion of tax treatment is not intended and should not be considered as tax advice. Consult your personal tax professional for advice on your tax position.

A Look at One Family's Commitment to Increased Giving

Activity	Week	Year	3 Years
Eliminate family meal out	\$30.00	\$1,560.00	\$4,680.00
Eliminate 1 on demand movie/week	5.00	260.00	780.00
Reduce Christmas budget		250.00	750.00
Reduce vacation budget		250.00	750.00
Eliminate 4 "dates"		120.00	360.00
Eliminate 1 cup of coffee/day	3.50	182.00	546.00
Son's commitment	1.00	52.00	156.00
Daughter's commitment	.50	26.00	78.00
Two \$10 bills found by son			20.00
THREE YEAR TOTAL:			\$8,120.00

"In addition, we will continue to support the annual budget and mission programs"