



Some Background on Giving

(courtesy of our campaign consultant,
Reverend Bill VanderWyden)

SAVE TAXES AND INSPIRE OTHERS!

Sometimes, we can make our charitable contributions go further because of generous income, capital gains, and estate tax provisions. You may be able to enjoy certain tax advantage, and more, with your Inspirational Lead Gift to our Church's Funding Our Vision Capital Campaign!

Income Tax Savings

It is generally well known that income tax deductions are available for charitable gifts of cash from donors who itemize their deductions on their income tax returns. When you give to a church non-cash property owned by you for over one year that has increased in value, your income tax savings may increase by avoiding the capital gains tax, and you may be able to take the full value of the item off of your income tax. A charitable gift is not considered a sale, so you will not have to pay the capital gains tax when you make your gift. *And* you get a tax deduction for the full value of the gift when it is made. Remember – do not cash in your asset and give the proceeds to the Church. You must transfer the asset itself to receive the full tax benefit.

Estate Tax Savings

You may also be aware that, upon your death, your assets may be taxed by both the federal and state governments. When you make a gift to charity, the full value of the gift will *not* be subject to estate taxes. In other words, the charitable gift escapes the estate tax that may affect the rest of your assets. By making your Inspirational Lead Gift now to our Church's Funding Our Vision campaign, you will guarantee that this donation will avoid estate taxes at your death.

Inspiring Others to Experience the Joy of Generosity

While tax benefits are important, there is another way to maximize your contribution. When you make an Inspirational Lead Gift, you allow your donation to work in a very special way as the Holy Spirit works within the very souls of others. Your Inspirational Lead Gift will be included in the total of all Inspirational Lead Gifts that is announced during the Funding Our Vision campaign. This collective effort encourages others to consider their own blessings and inspires them to give as they have never given before! By expressing your intentions early in the campaign as an Inspirational Lead Giver, you have the joy of knowing that your commitment moves others to give as well. (Sorry, no additional tax benefits from this one.) Possibly more important, however, you will know most fully the joy of generosity in a way few have the opportunity to experience during their lifetimes!

HOW TO GIVE A GIFT AS LARGE AS YOU WOULD REALLY LIKE TO GIVE.

While you are considering your gift to the Funding Our Vision campaign, you might want to consider some ways to help you give as generously as you really want to. Most members, especially those with property holdings, will find that by taking full advantage of tax laws and IRS rulings you can: (1) reduce the net cost of your gift, and (2) give far more than you imagined.

Your contribution to the Church's operating fund probably comes from your monthly income. There are tax deductions for these gifts. Gifts to renovate a church help both the giver and the church the most when they come from appreciated assets. Tax considerations are neither simple nor well known. Yet the savings can be important, actually reducing the net cost of your gift.

As you think about your gift to the Church, think about a 3-year/5-tax-year gift of some of your accumulated assets given on the schedule that you and your advisors deem best. This will permit you to be as generous as you really want to be and reduce the net cost of your gift.

Real Estate. Among your assets you may have land, buildings, leases, mineral rights – any variety of property that might have sharply increased in value since you purchased it. Even a company – or interest in a company – may have a greater value today than your original investment. Make a gift of appreciated real property of any kind to the Church and you may be able to enjoy a charitable deduction tax credit in at least two or three different ways.

Personal Property. What is true of real property is also true of personal property. Gifts of antiques, paintings or other art objects – including everything from livestock to jewelry – can hold tax advantages when given to your Church.

Securities. One of the most advantageous ways to give can be in the transfer of appreciated stocks or bonds if timed and planned carefully. The same sorts of tax advantages are carried as with gifts of property. It is possible to give a low-yield security purchased years ago at a low cost, take a large tax deduction over three to five years, and if conditions permit place your savings into higher yield securities.

Life Insurance. There are many ways to give through life insurance. You may have policies that have outlived the purposes for which they were obtained, such as sending children to college. You may have paid-up policies that you don't really need and that if given to the Church, would allow you to make a significant gift and enjoy tax savings – allowing you to give very generously – without touching your current cash flow, and over time, actually save tax dollars. By endorsing such policies over to the Church, you may deduct the actual cash value at the time of the transfer. You may wish to keep the policy, but borrow against the cash value, making a larger gift possible without touching current income. You can also consider a longer-range gift by purchasing an insurance policy, making the Church the owner, and deducting the annual premiums as charitable gifts. Check with your insurance advisor.

EXAMPLES OF LEADERSHIP GIFTS FROM ASSETS FOR OUR CAPITAL FUND CAMPAIGN

- Retired, and have less income than you used to have? By making a gift from accumulated assets, you may save significant yearly taxes and often actually have more money to spend.
- You may decide to tithe 10% of your net worth, which is a good guideline for returning gifts to God, in appreciation for having accumulated assets, and for all of your blessings.
- Considering buying a new car? Postpone buying the car, and give the cost of the car to the Funding Our Vision campaign, or if you really need a new car, go with the \$20-\$25,000 model rather than the \$40-\$50,000 model and give the difference to the Funding Our Vision Campaign.
- Planning an addition to your present home? Delay the addition, or modify your plans and down-size the addition and commit the difference to the Funding Our Vision campaign.
- Inherited stock, or own stocks or mutual funds which have appreciated in value? Give these assets to the Church and get a full charitable contribution deduction and also save capital gains taxes.
- Thinking of buying a second home or a boat? Think about the fact that the Church is your second home in many ways. Consider giving the value of the boat, or the savings toward the second home to the Funding Our Vision campaign.
- Are most of your assets invested in land? Donate a building lot or two to the Church, and take significant tax savings.
- Four years of College tuition? If all of your children have finished college, imagine that you have one more child. Give an equivalent of college tuition to the Funding Our Vision campaign spread over the life of the campaign. If you had another child you would probably find a way to provide college tuition equivalent to the amount spent for your present children.
- Have your assets invested in real estate and still want to leave assets to your children? Deed over real estate to the Church, and the Church could provide a paid-up life insurance policy equal to the value of the property.
- Short of cash for the next few years? Make a Funding Our Vision campaign gift now and finance it through a home equity line of credit.
- Have too much life insurance? Donate the paid-up policy to the campaign.
- Do you have jewelry, antiques, works of art, coin collections, or other valuable items? Give them to the Church, and take the full value of the item as a tax deduction. Many times, these items will have appreciated in value and you can give far more to the Church than you may have imagined.

WHO ASKS FOR MONEY?

Sometimes you hear people say, “The Church is always asking for money.” That statement is profoundly untrue. It is the world that is always asking for money, not the Church. When did you last go to the grocery store and the cashier failed to ask you for money? Your mortgage company asks for money with unfailing regularity. If you live like most people, each month brings a new collection of bills.

There is no free lunch - except at church (and, perhaps, National Public Radio.) You can attend worship every week – there is no admission charge. If you are sick, your pastor will visit you in the hospital. Where else can you get free counseling when you need it? Where will your children be married? Several hundred people receive a newsletter each month. None receive a subscription notice “asking for money,” as with other periodicals.

What do you do when your loved one dies? What will it cost? The funeral home will certainly charge for its services. Your church will not. The church building will always be there when you need it – clean, heated, and with kitchen and nursery provided. You may make full use of it and never pay one dime.

We have to pay taxes to provide our children public education, but your Church operates a Sunday School which provides quality Christian Education with absolutely no cost or obligation. The Church requires no membership fee, no annual dues. It never sends its members a bill. Is there any other organization in the world that functions that way? I don’t know of one. You see, the truth is the Church “asks for money” LESS than anyone else you can think of.

Money given to the Church is money used well to help people in our congregation and community, to provide assistance in times of crisis, to provide inspiration, and growth in faith in God’s providing. Financial resources enable the Church to help feed the hungry, clothe the poor, comfort the afflicted, and further a wider Christian mission. There are many who are glad to have a part in providing ministry in Jesus’ name through the Church. They joyfully give more than their share so that others who cannot or choose not to contribute may receive that ministry at no cost.

Consider the paradox: compared to most other providers of goods and services, the Church ALMOST NEVER asks for money. Yet of all the things your money could be used for, very few are more important than what the Church provides. The Church is here to nurture a caring community of Christian virtue. We will continue to provide ministry to everyone, whether they can afford to contribute or not. Isn’t that something you would like to be a part of?

Do not store up for yourselves treasures on earth, where moth and rust consume and where thieves break in and steal; but store up for yourselves treasures in heaven, where neither moth nor rust consumes and where thieves do not break in and steal. For where your treasure is, there your heart will be also. Matthew 6:19-21

(Nothing in this Background on Giving should be construed as authoritative or accurate with respect to tax laws and regulations, which are always changing. Please seek professional advice from your own lawyer, accountant, financial planner, insurance agent, etc., as appropriate for you and your gift before you make your Inspirational Lead Gift. The Capital Campaign Committee will be pleased to assist you in any way possible.)