

# Ways to Give:

## **PUBLICLY TRADED SECURITIES**

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Long-term appreciated capital gain property (such as stock) is one of the most common ways to make additional capital gifts. These gifts are tax deductible at the full fair market value subject to some limitations. However, the gain is not subject to taxation to the donor or the church.

*Example:*

- Donor paid \$2,000 for stock now worth \$10,000.
- If Donor sells stock, he/she pays \$1,500 in capital gains taxes and keeps \$8,500.
- If Donor gives stock to church neither donor or the church pays taxes and donor receives \$10,000 tax deduction.

## **GIFTS-IN-KIND**

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A gift-in-kind is a product or service that you can give because of your work experience or related business.

*Examples:*

- *Site Development:* grading, drainage, paving, landscaping, etc.
- *Construction Materials:* concrete, lumber, bricks, roofing, paint, etc.
- *Building Materials:* windows, doors, plumbing, lighting, flooring, etc.

## **QUALIFIED CHARITABLE DISTRIBUTION**

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To qualify for a tax-free qualified charitable distribution (QCD), funds must be transferred directly from an IRA to an eligible charity by the IRA trustee. This method allows individuals aged 70½ or older to donate up to \$100,000 tax-free each year. It is important to note that if the money is withdrawn and then donated, it does not qualify as a QCD. For those who are at least 73 years old, QCDs can also count toward the IRA owner's required minimum distribution for the year.

## **PERSONAL PROPERTY**

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If you want to make a gift of personal property to support the campaign, you should sell the property and donate the proceeds from the sale to Harvest. This property can include antiques, artworks, jewelry, coin or stamp collections, as well as other valuable assets.

## **APPRECIATED REAL ESTATE**

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A gift of real estate will generate a tax deduction for the full appraised fair-market value. Like securities, the capital gain is not taxable to the donor or the church. Sometimes a donor has a parcel of real estate that they are willing to gift, but they want to retain some of its value for themselves. A bargain sale is a good way to make a gift to the church and keep some of the value.

*Example:*

*Donor has a parcel of real estate worth \$100,000. They sell the property to the church for \$50,000. The donor has made a charitable gift of \$50,000 to the church and received cash for themselves. The tax deduction is equal to the difference between the selling price and the appraised price.*

## **CHARITABLE LEAD TRUSTS**

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A lead trust can be established to provide income to the church for a specified term of years. After the term of years, the assets in the trust revert to the donor or to individual(s) designated by the donor. Cash, securities, and some types of real estate can be used to fund the trust. There is no income tax deduction for this type of gift but there is an estate tax savings.

## **PAID-UP INSURANCE POLICIES**

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Many times, families have paid-up life insurance policies that were originally taken out to cover mortgage expenses or pay for college for a child. If these reasons are no longer at issue, a paid-up insurance policy can be a wonderful way to make a gift to the church. The tax deduction is equal to the replacement value or the donor's cost in the policy, whichever is less. The church will have the option of retaining the policy or taking the current cash surrender value.

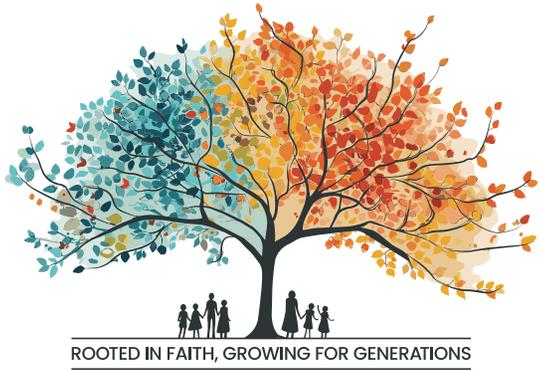
## **DEFERRED GIFTS**

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Deferred gifts are gifts that are received some time in the future by the church. During that time the donor retains an interest in the assets.

*Examples:*

- *Bequests*
- *Estate Notes*
- *Charitable Remainder Trusts*
- *Charitable Gift Annuities*
- *"Pay on Death" Accounts*
- *IRA Beneficiary*
- *Life Insurance*



Dear Harvest Friends and Family,

When we think about giving gifts to our church and others, we often focus on donating from our income. However, as we prayerfully consider making sacrificial contributions to support Harvest during this campaign, it's worth reflecting on other sources of giving as well. These alternative forms of gifts can often provide additional benefits to the donor.

Other types of outright gifts are:

- Personal Property
- Publicly Traded Securities
- Charitable Lead Trusts
- Qualified Charitable Distribution
- Appreciated Real Estate
- Paid-Up Insurance Policies
- Gifts-in-Kind



*"Not Equal Giving, But Equal Sacrifice."*



ROOTED IN FAITH  
GROWING FOR GENERATIONS

**IDEAS  
FOR  
GIVING**