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Non-Cash Giving Options

When we think of giving we often feel limited by the cash we might have in our pockets. But we may not be aware of other ways that we can financially support the church. The purpose of this document is to outline different ways that you can support the church both now and in the future.

Note: this document is not intended as professional tax or legal advice. You should consult your tax and legal advisors regarding your specific situation.

Assets

Appreciated Securities (Stocks & Bonds) - donations of this kind can provide considerable tax advantages when transferred to CTR before they are sold. If you have held your stock or bond for more than one year, you may find that your gift will provide a twofold tax benefit; creating an income-tax deduction as well as helping avoid capital-gains tax that would be due on their sale. To receive the full benefit of this donation it is important that you not sell the stock or bond first. If you have a stock or bond that you would like to transfer, simply contact the accounting department at the church and we will give you details on where it can be transferred to. If you have a physical stock certificate you will need to endorse the back of the certificate exactly as stated on the face of the certificate. It can then be delivered to the CTR office. The value of your donation is the average of the high and low selling prices for the stock on the date that it was transferred to CTR.

Personal Property - inquiries about gifts of tangible personal property that can advance the ministry of CTR are welcome. Personal property gifts may include such things as works of art, collectibles, vehicles, equipment, jewelry, etc. If you are considering such a gift, we will be able to guide you in determining if the item(s) can be used by CTR to further our mission (a requirement of the IRS to qualify your gift for a charitable deduction) or if it would be better for you to try to sell the item and donate the proceeds from the sale to the church. When donating personal property, qualified appraisals are often required to receive a tax-deduction for \$5,000 or more for your gift (getting the appraisal is the responsibility of the donor). CTR will assist you with getting the necessary IRS documents.

Real Estate - there are a number of ways to make a gift of real estate. One way is through an outright donation. This is the simplest way to make a real estate donation. You simply transfer the real estate to CTR. You will receive a donation of the fair market value of the property.

A second way is through a part gift/part sale. Otherwise known as a "bargain sale", you sell the real estate to CTR at much less than the property's fair market value. The difference between the fair market value and what CTR pays you for the property is considered a tax-deductible gift and you avoid capital gains tax on the gift portion.

A third way is through a retained life estate. Under this option you transfer your home to CTR and specify in the deed that you are retaining the right to live in the house for the rest of your life or until you decide to leave it. An agreement would be created spelling out each party's responsibility with regard to the property. The

donor usually continues to be responsible for all expenses. You would receive a tax deduction for a portion of the market value when you transfer the property.

A fourth way is through a gift that will pay you income (like a unitrust). The basic concept is that you contribute your property to CTR and in exchange CTR agrees to make income payments to you or a survivor for life. For this type of gift you receive a tax deduction on a portion of the market value of the property and generally avoid the capital gains tax.

If you are considering a gift of real estate to CTR contact the accounting department. We will gratefully review your gift offer and evaluate the condition and marketability of the property before accepting your gift. Also, the IRS requires donors of real estate to secure an independent appraisal to establish the fair market value of the property.

Planned Giving

Bequest by Will - to do this simply designate in your will a gift or portion of your estate to CTR. Your will can include gifts in the form of cash, securities, or personal property. The donation can be for a specific dollar amount, a percentage of your estate or the remaining value of your estate. Your estate will receive a charitable deduction for the full donation made, so your heirs will not pay estate tax on what was given.

Retirement Plans - this is a simple and effective way to benefit CTR while avoiding significant, often unanticipated, tax penalties. You can name CTR as a beneficiary of your IRA, 401(k), 403(b) or other profit sharing plan. Your estate will receive a charitable deduction for the full donation, so your heirs will not pay estate tax on these funds.

Life Insurance - there are three common ways that you can give a gift through a life insurance policy. The first is to change the beneficiary on an existing policy to include CTR. To do this simply contact your insurance company for the necessary beneficiary forms.

The second is to transfer ownership of a cash value life insurance policy to CTR. You will receive a charitable income tax deduction for the cash value of the policy. If you are contributing a partially paid policy you can make tax-deductible contributions to the church which we will use to pay the remaining policy premiums.

The third is like the second, but instead of using an existing policy you can take out a new policy in the name of CTR. You would then make tax-deductible contributions to the church which we would use to pay the policy premiums.

Please note that CTR would reserve the right to surrender contributed life insurance policies for their cash surrendered value at any time.

Trusts & Annuities

CTR has set up an Endowment Fund with the Community Foundation for the Fox Valley Region, Inc. to assist us in processing the following trust and annuity gifts. Donations of these types are placed in CTR's Endowment Fund that will be used as a base to fund the church into the future. (An endowment fund is a charitable fund established by CTR in which the initial and all future contributions are held permanently. It is invested for long-term growth and to provide regular, predictable income for the church. Distributions to the church are made only from the earnings, the principal remains intact to ensure the permanence of the fund.)

Charitable Gift Annuity - you can make a gift of cash or property to the Community Foundation now, take advantage of the tax benefits immediately and ensure that you and/or a loved one receive fixed quarterly or annual income payments for life. Any remaining funds not paid out to you during your lifetime are put the CTR's Endowment Fund.

Charitable Remainder Trust - you can place cash or property in a trust that makes payments to you and/or a loved one for life. After your death, the remainder of the trust transfers to CTR's Endowment Fund. You receive the income tax benefits the year you establish your trust.

Charitable Lead Trust - you can place cash or property into a trust that makes payments to the Community Foundation and placed in CTR's Endowment Fund for the number of years you select. Once this period ends, the assets held by the trust are transferred to the beneficiaries you name. In some cases, you receive a substantial reduction in federal gift or estate taxes.

If you would like to make a non-cash donation to Christ The Rock or if you have questions regarding any of these giving options, please contact the Accounting Team at the church office by phone at 920.730.8383 or by email at mail@christtherock.org.