

## 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 more than 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 may be 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, then letting the church sell eliminates potential capital gains taxes and can increase the after tax proceeds.

### HOW DOES THE TAX BENEFIT WORK?

- Itemized Deduction: The individual or business is allowed to include 100% of the **market value** of most such assets as charitable contributions for tax purposes if held more than 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 after tax 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. Provide the following to your broker:
  - Firm: TD Ameritrade
  - DTC #: 0188
  - Acct #: 492-756078
  - Acct Name: Thrive Church of Highland
3. You will be provided with stock powers or transfer papers to complete the transfer.

**(Contact Andy Persons at 734-645-6000 with any questions).**

- For shares 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 asset gifts contact our Treasurer, **Andy Persons** at **734-645-6000**.

## 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 that 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. The acquisition of major items such as automobiles, clothing, or trips, when postponed, 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.

SALE 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 affords 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.