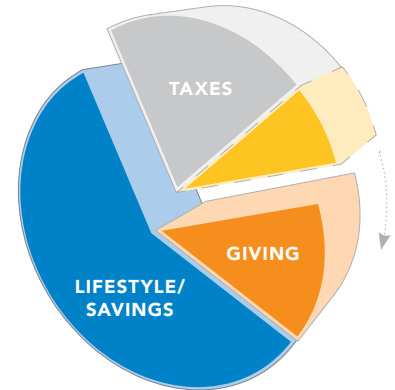


# GIVE MORE BY GIVING MORE WISELY

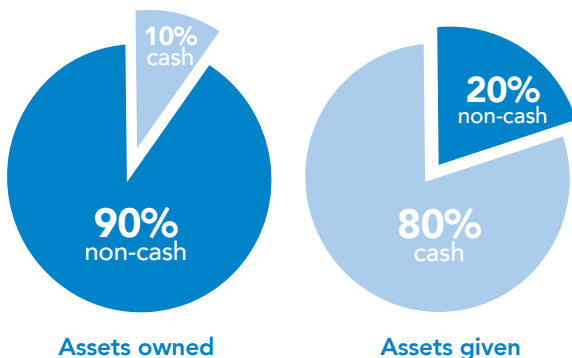
Multiply your impact with the power of asset-based giving

Many people think that in order to give more to charity, you have to cut into your personal lifestyle expenses. And while sacrificial giving is a wonderful, God-honoring act of faith, there's another way to multiply your impact: asset-based giving from National Christian Foundation (NCF). By donating non-cash assets such as stocks, real estate, or business interests *before* the sale, you can reduce taxes and send more to the Kingdom than you ever dreamed possible.



## THE TYPICAL GIVER

IRS statistics show that most people give from cash, even though their wealth is held in non-cash assets\*.



\* IRS averages data from 2000-2010

## THE RESULTS OF GIVING FROM NET WORTH

This table shows the impact of giving a 3% non-voting interest in a \$10M family business (S-corp), with \$1 million of K-1 income.

	Before	After*
Giving	\$30,000	\$330,000
Lifestyle	\$200,000	\$200,000
Taxes	\$432,620	\$298,820
<b>Net cash flow for giving, saving, or investing</b>	<b>\$337,380</b>	<b>\$471,180</b>

\* The "After" column sums \$1.3M because the \$300,000 charitable gift came from the company value, not out of earnings. It represents just the first year, but the gift could be repeated annually for more giving.

\* The example above assumes a 5% state tax rate.

## THE BENEFITS OF GIVING MORE WISELY

- **Less to taxes** – By donating non-cash assets first – rather than selling them first, paying taxes, and giving the net proceeds – you typically receive a tax deduction for the full fair-market value of your gift, as well as avoid capital gains taxes.
- **More to ministry** – The capital gains taxes you save from giving the asset directly to charity means more goes to support the work of God's Kingdom.
- **Personal savings** – Because you receive the full tax deduction for the fair-market value of the asset, you'll see great savings on your personal income tax returns. This means more money stays in your pocket for your lifestyle expenses or additional giving.



## ASSETS WE CAN HELP YOU GIVE

- Appreciated securities – Stocks, bonds, and mutual funds
- Real estate – land, houses, or other properties
- Business interests – ownership in closely-held businesses, Limited Partnerships, Limited Liability Companies, or Sub-chapter S corporations
- Personal property – royalties, copyrights, patents, or precious metals like gold
- Restricted securities – publicly-traded securities that may have sale restrictions
- Loan notes – money owed to you through loan notes
- Estate gifts – proceeds from wills, trusts, or life insurance policies
- Retirement plans – 401Ks, IRAs, or pension plans
- Life insurance – term, whole, universal, or variable

## A CASE STUDY

Tom and Susan bought a beach house after their marriage for \$50,000. After 25 years, their property had increased 10-fold and was worth \$500,000. The couple wanted to use this valuable asset to fund the Kingdom-building work of their church and favorite ministries.

So, they decided to sell the property and give the proceeds. As they were preparing for the transaction, Tom and Susan learned that they would owe taxes of \$112,500 upon the sale. Then they learned about asset-based giving and the power of giving their property to charity *before* sale.

So, they decided to give it directly to NCF, who liquidated the asset and sent the proceeds to their Giving Fund (donor-advised fund). Tom and Susan were able to go online, recommend grants to charity, and experience the joy that came in knowing they had multiplied the impact of their giving.

This was the result of their gift:

- They avoided capital gains tax, saving \$112,500, which went to the Kingdom rather than taxes.
- They received a higher income tax deduction of \$500,000, the fair-market value of the property. This saved them an additional \$50,175 in income taxes.
- They gave more to ministry ... \$500,000 instead of \$387,500.
- They used the extra \$50,175 tax savings to support their kids' college education and give more to their local church than they had previously planned.

Note: The tables in the document are for illustration purposes only and include assumptions on tax rates, business types, and structure which may or may not apply to you, so there is no assurance that the savings depicted can or will be achieved. Consult with your attorney, financial advisor, and/or tax advisor to analyze your particular situation before proceeding.