

WITH ALL MY RESOURCES I HAVE PROVIDED ...

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 at least 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 are 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 the asset as charitable contributions for tax purposes if held at least 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 any 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	<u>-10,000</u>	<u>-10,000</u>
Gain	10,000	10,000
Tax (assuming 18%)	1,800	-0-
After Tax Proceeds	17,200	20,000

How Do I Give Gifts-In-Kind?

FOR STOCKS, MUTUAL FUND SHARES, AND BONDS, AND OTHER ASSETS, CONTACT THE CHURCH OFFICE FOR INSTRUCTIONS.

Note: Any discussion of tax treatment is not intended as tax advice. See your tax profession for your tax treatment.