

CREATIVE WAYS TO GIVE

King David declared, "I will not offer to God that which cost me nothing." (2 Samuel 24:24) David understood the gift that would touch the heart of God must first touch the heart and life of the giver!

Commit Unexpected Cash

Often, people ask God to show them a way they can give beyond what they can presently see or afford. Sometimes, the answers come unexpectedly. (i.e. an inheritance, gifts, bonuses, etc.)

Sacrifice Your Extra Time

Some family members have extra time they would be willing to use in a part-time job to be able to give more to the church. This is particularly true for families whose children are grown, away from home, and for semi-retired or retired couples.

Personal Property

One option is to donate tangible property such as jewelry, coin collections, art, or almost anything of value that can be sold for a cash contribution.

Increase Giving With Increased Fixed Income

Many retired individuals depend on fixed income investments for their income. In periods of fluctuating interest rates, obtaining a reliable safe income is a challenge. One alternative is a Charitable Gift Annuity, from which, a gift can be made to the Initiative.

Charitable Gift Annuities offer generous guaranteed lifetime payments at a level much higher than Certificates of Deposit and other secure investments. In addition, a portion of each payment is tax-free and Charitable Gift Annuities offer charitable income tax deductions as well. At death, the remaining balance in the Charitable Gift Annuity is distributed to the ministries of your choice.

Appreciated Stock

When you donate stock you own, either public or private, you can avoid the capital gains tax. Example: Stock that cost you \$1,000 is now valued at \$5,000. By donating this stock to your church, you avoid paying any capital gains tax on the \$4,000 that would have been a gain if you sold the stock outright. In addition, if you have held the stock for more than one year, you will receive a charitable tax deduction for the full value of the stock donated that is \$5,000.

Appreciated Property

You can donate vacant land, which you have inherited/purchased, or a vacation house to the church. If you have owned the property for more than one year, by donating it to the church, you would receive a tax deduction for the full fair market value of the property.

You can donate a rental house to the church. Example: You may have a rental house that you have owned and rented for the last 20 years, thus depreciating it to a very low tax basis. If you were to sell it, you may pay substantial capital gains tax. By donating to the church you will both avoid the capital gains tax and receive a tax deduction for the fair market value of the house you donated.

Charitable Remainder Trust

You can establish a charitable remainder trust with stock or real estate. This special type of trust allows you to receive lifetime income and make a significant gift to your church and its stewardship campaign. There are significant tax advantages to this type of trust and careful planning is needed. Assistance in planning and creating this type of trust is available through the Assemblies of God Financial Services Group at no cost to you.

Increase Giving With Increased Income

Some people receive periodic increases in salary or bonuses from their employers. The temptation for many of us is to increase our lifestyle to fit the higher income. In some instances, families have decided that they will commit the full amount of salary increases.

Redirect Present Expenditures

Often, families have significant short-term expenditures for special needs. One example is the large expenditure a family incurs for a child to attend college. Once the child graduates from college, if during the Initiative, you may be able to increase your commitment for the remainder of the Initiative, by giving what you had been spending on tuition. Another example would be the cash flow that is freed up when a loan is paid.

Charitable Distributions from IRA

Many retirees opt to make charitable distributions from their IRAs to help reduce taxes. Even though the SECURE Act of 2019 bumps the Required Minimum Distribution (RMD) age threshold to 72, qualified charitable distributions (QCDs) are unaffected. After hitting 70½, you can still make charitable distributions from your IRA of up to \$100,000 per year. However, if you're still working and adding money to your IRA accounts after 70½, those additions will reduce your annual QCD limit dollar for dollar. **See your tax or financial advisor for details.**

In reviewing these suggested ways to give, please be reminded that as a general rule, a gift of appreciated property (long-term capital gain property) is deductible up to 50% of your adjusted gross income, and a gift of cash is deductible up to 60% of your adjusted gross income, with a five-year carryover for any "excess." **In all cases, please consult your tax advisor regarding the tax, financial and practical implications.**