

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?

- Tax regulations are 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 of these 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 | <u>-10,000</u> | <u>-10,000</u> |
| Gain | 10,000 | 10,000 |
| <hr/> | | |
| 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")

- Contact your broker and request the transfer.
- Provide the following to your broker:
 - Firm: US Bank, NA, via The Depository Trust Company
 - DTC #: 2803
 - Secondary Acct # 001050981220
 - Acct Name: Diocese of Covington Gift Account
- Also send written notice of the gift (with name, address and ph. # of donor, and number/name of shares donated) and specify that the gift is designated for the St. Joseph Crescent Springs Capital Campaign. The notice should be directed to:
Dale Henson, CFO
Diocese of Covington
1125 Madison Ave.
Covington, KY 41011-3115

Contact Andrea Pappas at 859-341-6609 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 assets contact Andrea Pappas at 859-341-6609.

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: Diverting funds from entertainment, dining out, dues, subscriptions, gifts, allowances, utilities, or transportation, offers lifestyle adjustments which impact one's giving.

**NOTE: Any discussion of tax treatment is not intended and should not be considered as tax advice. Consult your personal tax professional for advice on your tax position.*

DELAYED EXPENDITURES: The delaying of purchases allows a person to significantly increase giving. The acquisition of major items (cars, clothing, or trips, etc.), 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.

REQUIRED MINIMUM DISTRIBUTIONS (RMD): At 72 many are required to take a minimum distribution from retirement funds. There can be significant tax benefits for both the donor and the church when giving from this resource.

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.

MATCHING GIFTS: Many employers offer matching gifts to support an employee's charitable giving. Ask your employer if this is a benefit available to you.

CREATIVE GIVING STRATEGIES



The Campaign Cabinet offers the following thoughts as you continue to prayerfully consider your gift to the

Living our Faith Building Our Future

Capital Stewardship Campaign.

"The Lord will always make you rich enough to be generous at all times, so that many will thank God for your gifts which they receive from us."

II Corinthians 9:11

St. Joseph Parish
2470 Lorraine Ct.
Crescent Springs, KY 41017
859.341.6609

PRAYER NOT PRESSURE

It may be expressed in various ways, but the root of the concern is always the same. Some of you may be wondering when the pressure and manipulation to give is going to begin. The very nature of the campaign does not allow for anyone to be pressured into giving. You will never be told what you should give...not at any point in the program. Your financial involvement is a decision between you and the Lord. Giving is a part of worship but giving must come from your heart to please God, not from a checkbook just to satisfy a program.

Continue praying:

"Lord, what do You want to do through me as it relates to Your will for St. Joseph Church?"

*"Each should give what is decided in the heart to give, not reluctantly or under compulsion, for God loves a cheerful giver."
II Corinthians 9:7*

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A Look at One Family's Commitment to Increased Giving

| Activity | Week | Year | 5 Years |
|--|---------|------------|--------------------|
| Eliminate family meal out | \$50.00 | \$2,600.00 | \$13,000.00 |
| Reduce cable/streaming services | 3.00 | 156.00 | 780.00 |
| Reduce Christmas budget | | 250.00 | 1,250.00 |
| Reduce Vacation budget | | 250.00 | 1,250.00 |
| Eliminate 4 dates nights per year | | 400.00 | 2,000.00 |
| Eliminate 1 cup of coffee/day | 3.50 | 182.00 | 910.00 |
| At home manicure and pedicure vs salon | | 1,200.00 | 6,000.00 |
| Commitment from Children | 1.00 | 52.00 | 260.00 |
| FIVE YEAR TOTAL: | | | \$25,450.00 |

" In addition, we will continue to support the annual budget and the mission programs "