

Our Church – Our Future Campaign Glade United Church of Christ

Ways to Plan a Gift

Gifts of Cash

One way to make a significant gift is to give a weekly or monthly amount over a period of years. Using the gift planning table included in our brochure, it is easy to see how regular giving over a three-year period can result in a significant gift. A three-year giving period is the most manageable for the majority of donors. One guide for deciding the amount of your gift is to give an amount equal to \$1 per week for each \$1,000 of annual income. A person whose income is \$35,000 a year might consider a gift of \$35.00 per week for three years.

Gifts of Stock

Gifts of appreciated stock offer two key advantages. First, donors may take a charitable income tax deduction for the full value of the gift up to an amount equal to 30% of adjusted gross income in the year of the gift. There is a carry-over provision for gifts that exceed the 30% limit. Second, donors of appreciated stock are exempted from paying the capital gains tax incurred if the stock were sold before making the gift.

Donors who wish to make such gifts should contact Alan VenDouern for the specific steps for completing such gifts. Gifts of stock shares need to be transferred into an account in the name of Glade Church, either with the donor's broker or with the Glade Church's brokerage firm, so that the donor does not realize a taxable gain.

Note: if a donor wishes to give depreciated stock, the donor is better advised to sell the depreciated stock and give the proceeds. The donor can take a charitable income tax deduction for gift of funds from the sale, and may include the itemized depreciation as a loss on the income tax return for the year in which sale of the stock occurred.

A Combination Gift

Sometimes the donor's gift plan will include a combination of a gift from investments or savings and a weekly or monthly gift over a period of three years. Such gifts are attractive to donors who wish to increase the size of their gift but also conserve accumulated assets.

Forgiveness of Prior Loans to the Church

Individuals who hold "demand notes" on loans made to Glade Church may chose to convert a loan to a gift. When a donor forgives a loan by returning a demand note to the church, the church will provide a Letter of Gift stating Glade UCC of Walkersville, MD received on ___ (mo./day/yr) a loan note dated (mm/dd/yy) and executed by (name of donor) on which was written the word "Gift". Since these are demand notes, not

amortized notes, and each note does not exceed \$5,000 in value, the church may state the value of the note in the letter to the donor.

Gifts of Tangible Personal Property

Items of tangible personal property such as an antique, a work of art or a valuable collection may be given to the campaign. However, specific rules govern such gifts. Usually, only the original cost of the item, not its appreciated value, will be tax-deductible. Talk with the campaign consultant and a knowledgeable tax attorney or CPA before making a final decision about such a gift.

Gifts of Real Estate

Sometimes a gift of real estate can be beneficial to the donor. A donor might arrange the gift of an undivided portion of real property. This means only a part of the value of the property is given. This may be a useful when a donor is considering selling a property such as appreciated vacant land or a second home not encumbered by a mortgage. This plan must be established before a property is put on the market, and there cannot be a buyer “in the wings,” i.e., already identified. Again, it is essential to speak with the campaign consultant and a qualified real estate attorney to explore this gift.

Bargain Sale

A bargain sale is a transaction in which a donor transfers a property to a charitable organization for an amount substantially below the appraised value. The charity sells the property at the fair market value. A charitable income tax deduction is calculated for the donor for a portion of the gift. Any proposal to establish such a must be discussed with the campaign consultant and a qualified gift planning attorney.

Charitable Gift Annuity

The campaign will be in a position to accept a limited number of Charitable Gift Annuities. These are gifts in which the donor gives funds in return for an agreement to receive annual payments for the life of the donor and, often for the lifetime of a surviving spouse. At the death of the beneficiary, the remaining principle of the gift is transferred to the Glade church. The amount of the payments to the donor is based upon the age of the designated beneficiaries at the time the gift is made. An alternate form, the deferred gift annuity, delays payments to the beneficiary to a future time. The campaign consultant can provide a specific calculation of the payments and the charitable deduction applicable to a proposed gift.