

# Partners IN PLANNING

Spring 2023

## An Apartment Building Becomes a Legacy

Jim Galvin Fulfills His Giving Goals Through a Gift of Real Estate By Chelsea Rollman



When Jim Galvin received two offers on an apartment building he had not listed, he immediately called the director of MTW's Center for Estate and Gift Planning, Bruce Owens.

Jim met Bruce in 2008 when he first heard about MTW's Center for Estate and Gift Planning from a flyer in his church. Jim was attracted to the idea of having a say in what happens to his estate when he dies rather than leaving those decisions to other people. After Jim went through the estate design process, Bruce told Jim if he ever sold the apartment building to give him a call.

The two stayed in touch. Bruce would call and pray with Jim periodically, and would visit whenever he traveled to Colorado. "Bruce was very good at contacting me while in Colorado Springs," said Jim. "He stopped by several times when my wife was ill and kept checking in on me to see how I was doing. When I ran out of steam and needed help and decided to sell the building, I knew I needed to call Bruce."

Bruce suggested using a charitable remainder trust (CRT) as the most tax advantageous way to sell the apartment building. It involved putting partial interest of the property into a CRT before the sale. This strategy would allow Jim to reduce capital gains taxes and carry forward a charitable tax deduction to the next five years. [continued on back >>](#)



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# Four Ways to Give Real Estate/ Appreciated Property

**E**ven in an uncertain real estate market, many families have highly appreciated real estate and stock holdings.

This has created an opportunity for using appreciated property to fulfill one's stewardship goals. For example, property that has appreciated in value can be given without incurring capital gains tax

let's say that in 1980 Mr. and Mrs. Wallace purchased a lot for \$10,000. It was recently appraised at \$50,000. If they sell it, they will have to pay capital gains tax on the appreciation. However, if they give the property to MTW, they will be free of the tax obligation and also escape the hassle of having to sell the property. They will also receive a charitable income tax deduction for the appraised value of the property.

## 2. Give a Portion of the Property

Many people cannot afford to give an entire parcel of real estate, but they can give part of it. A good solution is to give an undivided interest in the property, say 50%. MTW then works with the donor to market

**Taxable property that has appreciated in value can be given without incurring tax on the appreciation. Thus, the value of the gift may be substantially more...**

and sell the property. Each party—the donor and MTW—then receives one-half of the proceeds from the sale. A bonus for the donor is that they can use the income tax charitable deduction for the gift portion to help offset any capital gains tax due.

## 3. Give the Property and Obtain Income

Some real estate owners need to retain income from the property, yet they also want to make a major charitable gift. One possibility is to use real estate to establish a charitable trust. The trustee will then sell the property and invest the proceeds in a balanced portfolio that will provide income to the donors for as long as they live. When the trust terminates, whatever funds are left in the trust will go to MTW or a donor advised fund. There are several advantages to doing

this and it may be just the thing if you have appreciated property, need to retain income, and want to make charitable gifts.

## 4. Give Appreciated Stock

It is often better to donate appreciated stock than to write a check for the same amount. For example, let's say that several years ago, Jane purchased 1,000 shares of a particular company's stock at \$10 per share. Since then, the stock's value has appreciated to \$100 per share, with a current value of \$100,000. If Jane sells the stock, she would owe capital gains tax on the appreciated portion. On the other hand, if Jane transfers her shares directly to MTW, it can sell the stock without any tax on the gain. And what's more, Jane would receive a charitable tax deduction for the full fair market value of the stock. Thus, by giving appreciated stock directly to MTW, Jane is receiving a charitable tax deduction and bypassing capital gains—maximizing the impact of her charitable giving.

## 5. Give After the Sale

Sometimes people sell their property and then use the proceeds to make a charitable gift. The donor will receive a charitable income tax deduction. This tax deduction could help offset or mitigate any capital gains taxes owed after the sale.

## We Can Help

MTW's Center for Estate and Gift Planning has been helping people steward God's provision for over 25 years. Our desire is to serve people and help them find God's plan of stewardship for the distribution of their estate. To this end, we offer a no cost, no obligation, biblically-based estate design and gift planning service tailored to your personal goals and making a difference for the kingdom.

If you would like to learn more about your options for donating real estate to MTW and how MTW's Center for Estate and Gift Planning can help, please feel free to call Beth Billingsley at 678-823-0028 or email her at [beth.billingsley@mtw.org](mailto:beth.billingsley@mtw.org). Design your legacy today. ■

## A Partnership In and For the Gospel

By Dr. Lloyd Kim



*"I thank my God in all my remembrance of you, always in every prayer of mine for you all making my prayer with joy, because of your partnership in the gospel from the first day until now. And I am sure of this, that he who began a good work in you will bring it to completion at the day of Jesus Christ. It is right for me to feel this way about you all, because I hold you in my heart, for you are all partakers with me of grace, both in my imprisonment and in the defense and confirmation of the gospel." — Philippians 1:3-7*

Paul writes these heartfelt verses to the church in Philippi from a prison cell. He planted this church—the first church in Europe—and obviously cares deeply about the congregation. In his loneliness and isolation, Paul takes comfort in what he calls their "partnership in the gospel."

He is referring to the wonderful relationship between those who are sent and those who send. The missionaries who are on the front lines and the church that stands behind them.

First, this partnership is in the gospel. It is both created and sustained by the transforming, powerful, life-changing work of Jesus Christ in our lives through the Holy Spirit. The church in Paul's time, consisted of people with diverse backgrounds, some of whom were once enemies until the gospel broke down the walls of hostility and brought them together as the body of Christ.

This is the same partnership in the gospel we share as believers today. Our relationship to other Christians is built on the fact that we all drink from the same fountain of grace. The gospel shapes us as God's family, enabling us to confess, repent, and forgive each other.

Second, this partnership is for the gospel. It unites us in our common mission to spread the good news of Jesus throughout the world. The Philippian church was a supporter of Paul's missionary work. The members interceded in prayer for him, they sent workers to help him, and they financially gave to him. In these verses, Paul gives thanks for them because their actions and affection demonstrate they share Paul's desire to see the gospel advance throughout the world.

Giving toward missions not only demonstrates love for our missionaries and national partners, but also shows a longing to see God's kingdom grow in communities across the globe. This is the goal of our gospel partnership. Like Paul and the Philippian church, we confidently press on toward this goal despite many challenges and obstacles, knowing that "he who began a good work in us will bring it to completion on the day of Jesus Christ."

May we hold on to this promise as we continue in our gospel partnership. Together, we can make a difference in the lives of those who have not yet heard the good news of Jesus Christ.

*Lloyd Kim*

**mtw**  
Mission to the World



on the appreciation. Thus, the value of the gift may be substantially more than it might be were the property first sold and the after-tax proceeds then given to missions, churches, or charity.

If you have appreciated stock or real estate—especially property you are no longer using—you may want to consider the benefits of using this asset to make a charitable gift. There are several ways you can proceed; here are five possibilities to consider.

## 1. Give the Entire Property

Since Mission to the World is a qualified charitable organization, it can sell real estate gifts without incurring capital gains tax on the appreciation. For example,



Jim kept 60% of the value of the property and put 40% into a CRT. When the property sold, the charitable income tax deduction Jim received for the amount he gifted into a CRT substantially mitigated the taxes he owed on the proceeds that he kept.

The tax savings combined with the income he would receive from the CRT for the rest of his life meant Jim was able to leave a sizeable inheritance for his adult children. He was impressed by MTW's level of spiritual guidance and legal competency throughout the entire procedure.

"Without their help, I would have paid more taxes. I would have struggled with my own ability to invest the funds, to provide an inheritance for the children, and an income stream for me to live on. MTW was extremely helpful in that process," said Jim.

MTW also helped Jim fulfill his charitable giving goals.

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benefits to the Christian organizations that the person is giving to," said Jim.

He continued saying, "I've had a heart for missions for many years ...

This gave me a way to provide some funds to help missionaries."

When Jim dies, the remaining funds in his CRT will go into an MTW donor advised fund to be distributed to MTW and the other charitable organizations Jim supports. Giving through the DAF excites Jim because the gift recipients will be able to rely on a future gift.

Selling real estate can be a complicated process. MTW's Center for Estate and Gift planning helped Jim turn the sale of his apartment building into a way to support himself, benefit his family and his ministries. Under the direction of MTW, he was able to leave an inheritance to his children, secure a source of income for himself for the rest of his life, and further God's kingdom by leaving a gift that will impact global missions beyond his lifetime. ■

We trust you have found this issue of **Partners in Planning** to be helpful. We look forward to answering any questions you may have about the information shared here.

Please take time now to complete the response card to receive information on our estate design and gift planning services. We are here to help you in any way we can.

Please write or call our office to let us know how we can be of assistance.

For will and estate planning purposes, our legal name and address are:

Mission to the World (PCA), Inc.  
1600 North Brown Road  
Lawrenceville, GA 30043  
(678) 823-0028  
estategift@mtw.org | www.mtw.org

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