

Partners IN PLANNING

Considering the Benefit of Ministry Gifts from Net Worth

One important aspect of charitable giving that we like to emphasize is that charitable gifts don't always need to be current gifts and they don't always need to come from

your current cash flow. You might consider a gift to ministry made from your net worth. Often, net worth gifts are good alternatives to cash flow gifts.



To consider what property you might give as a net worth gift, you may want to think about an investment using these criteria: Is it still meeting your investment goals? Does it produce sufficient income to meet your objectives?

Has it appreciated substantially in value? If your property, whether it is real estate, stock, or a business, is no longer meeting your objectives or has appreciated too much to be able to sell, you may want to consider it as a charitable gift.

How you make your gift to ministry has tax implications that you'll want to keep in mind. Taking advantage of any tax benefits offered and providing for your family are two important considerations.

With your gift, you sign a DAF contract that simply states that MTW will be establishing a separate fund on its books under your name. You will receive a charitable deduction for the amount of your gift.

“The earth is the Lord’s, and everything in it, the world and all who live in it” Psalm 24:1

Some of the tax rules to remember:

When you transfer appreciated property to a charitable organization, a charitable deduction may be available for the full fair market value of the property at the time

income. If the gift exceeds the deduction that can be taken in that year, it can be carried over for five years. Appreciated property that has been held for less than one year will be deducted at cost basis only.



of transfer. If you sold the property and then made the gift, a tax would be payable on the appreciation. But this tax is avoided when the appreciated property is given directly to charity, provided you have held the property for at least one year.

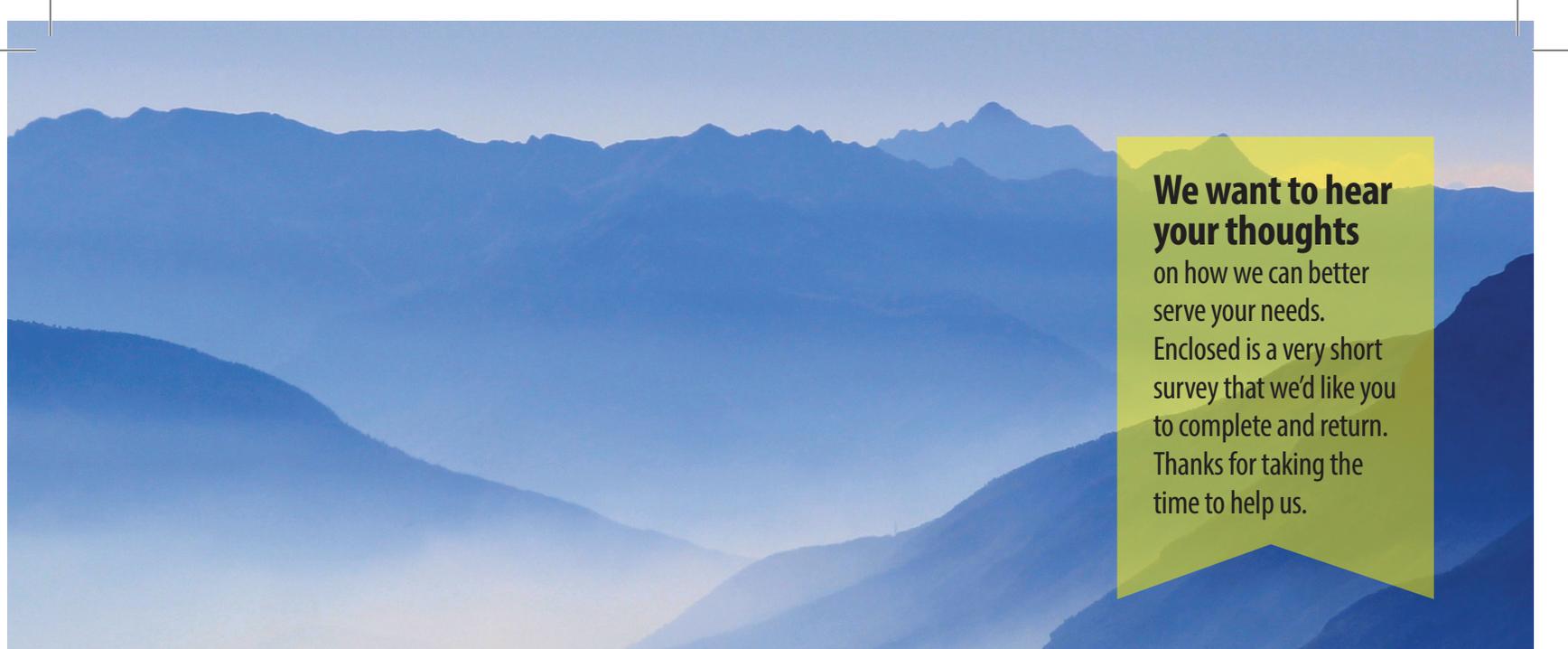
Gifts of cash or non-appreciated property are deductible up to 50% of adjusted gross income. When a gift is of property that has appreciated, the deduction is limited to 30% of adjusted gross

this tax is avoided when the appreciated property is given directly to charity, provided you have held the property for at least one year.

What to do if the property is more than you want to give?

After reading this article, you may have identified a piece of property that would make a good charitable gift, but you may be hesitant to give it because its value is more than your desired gift amount. There are a few solutions you may want to consider.

The first option is a zero tax sale. To create a zero tax sale, you give before you sell. You would place an undivided interest of the appreciated property into a MTW donor advised fund. Then, the MTW sells that part of property tax-free. You are able to use the tax savings from the charitable deduction on the



**We want to hear
your thoughts**

on how we can better
serve your needs.
Enclosed is a very short
survey that we'd like you
to complete and return.
Thanks for taking the
time to help us.

charitable gift part of the property to offset the tax on the remaining part of the sale.

The second is a bargain sale. With a bargain sale, MTW will enter into an agreement to purchase the property from you for the difference between the property value and your desired gift. Under a bargain sale, the tax advantages are available on the gift portion of the property. Capital gains taxes will be payable only on the gain attributed to the portion of the property purchased by MTW.

The third is to create an MTW donor advised fund. With a DAF, you can give a larger gift at one time to ministry, but then make distributions to MTW and other ministries over time. Your gift to MTW is made at one time and you receive a charitable tax deduction in that year, but you are able to distribute the gift over many places and over many years.

Considering What Should You Give

One factor that makes our Center for Estate and Gift Planning different from other planned giving services is that we place an emphasis on putting the spiritual before the mechanical. As you've read in previous articles, there are a lot of mechanical tax issues to consider, and we can help you navi-

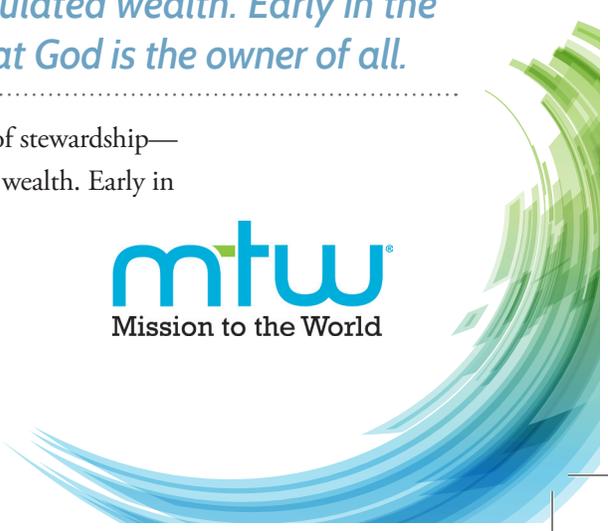
gate through them. But at the same time, we want to help you be a thoughtful steward of what God has entrusted to you. We want to put the spiritual before the mechanical.



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God has placed us in a position of stewardship—not ownership—of accumulated wealth. Early in the Scriptures, we find that God is the owner of all. The Psalmist declares:

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continued

“The earth is the Lord’s, and everything in it, the world and all who live in it” (Psalm 24:1).

“For every animal of the forest is mine and the cattle on a thousand hills. I know every bird in the mountains and the creatures of the field are mine. If I were hungry, I would not tell you; for the world is mine and all that is in it” (Psalm 50:10-12).

This principle is again confirmed in the New Testament: “For the earth is the

Lord’s, and everything in it” (I Corinthians 10:26).

Does this not mean that our relationship to that property must be that of a steward or a caretaker, and not of an owner? And with this relationship comes responsibility.

In Matthew 25:14-27, (the parable of the talents) the master distributed his property according to the ability of each servant. The steward was responsible to

determine what the owner wished to accomplish and to carry it out.

When we embrace this definition it becomes apparent that every financial decision we make is also a spiritual decision.

We would be happy to answer any questions and help your family as you discover God’s plan of stewardship for your estate.

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We trust you have found this issue of Partners in Planning to be helpful. We look forward to hearing from you with suggestions for future issues or with any questions you may have about the information shared here. Please take time now to complete the response card to receive information on our **Donor Advised Fund Program**. 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:

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