

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?

- The tax code is 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 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	-10,000	-10,000
Gain	10,000	10,000
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 please contact the Grace Church office.
- For shares in your possession contact your financial advisor.

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: Freeing up funds that are currently going to other areas of spending allows a person to increase giving to God's work. Diverting funds from entertainment, dining out, dues, subscriptions, gifts, allowances, utilities, or transportation, offers lifestyle adjustments which impact one's giving.

Delayed Expenditures: The delaying of purchases allows a person to significantly increase giving. The acquisition of major items such as automobiles, clothing, or trips, 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: The sale of major assets, such as a house, car, land, or business provides available income for giving.

Raises / Bonuses: Dedicating one's forthcoming raises and bonuses is a creative method people have used to increase giving.

Freedom From Debt: As a person looks ahead into the next three years, he or she may discover that debt obligations will be fulfilled. This frees up revenue for additional giving.

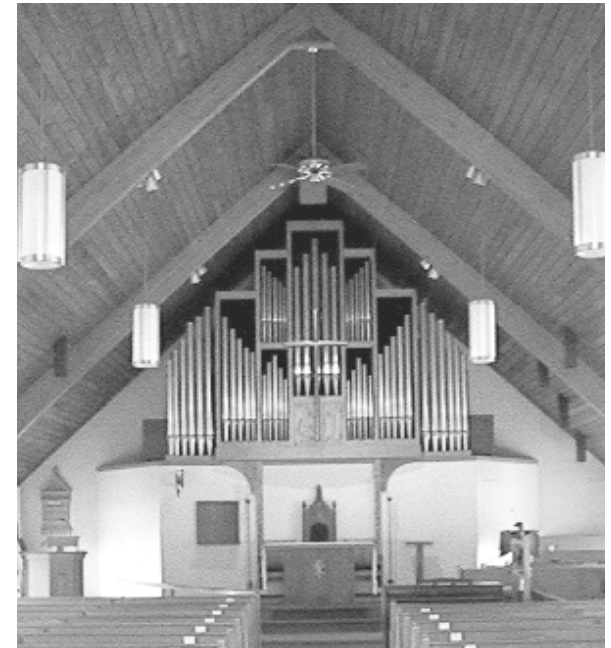
Unique Skills Income: Some people have marketable hobbies or skills, which enable them to give from those new profits.

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.

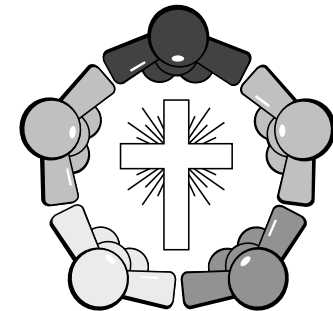
Corporate Gifts: Those who have used their business as a source for giving have made significant donations.

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.



CREATIVE STRATEGIES IN GIVING

Exodus 35:22-29



Strong in God's Grace

The Leadership Team offers the following thoughts as you continue to prayerfully consider your gift to the *Strong in God's Grace* Capital Stewardship Campaign.

"He 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

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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 to accomplish Your will for Grace church?"

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

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.

A Look at One Family's Commitment to Increased Giving

Activity	Week	Year	3 Years
Eliminate family meal out	\$30.00	\$1,560.00	\$4,680.00
Eliminate 1 video rental/week	3.00	156.00	468.00
Reduce Christmas budget		250.00	750.00
Reduce Vacation budget		250.00	750.00
Eliminate 4 "dates"		240.00	720.00
Eliminate 1 cup of coffee/day	3.50	182.00	546.00
Erik's commitment	1.00	52.00	156.00
Andrew's commitment	.50	26.00	78.00
Two \$10 bills found by Andrew			20.00
THREE YEAR TOTAL:			\$8,168.00

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