



**BUSINESS REPLY MAIL**

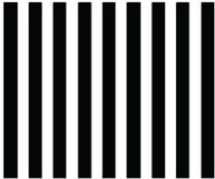
FIRST-CLASS MAIL PERMIT NO. 6 VALLEY FORGE, PA

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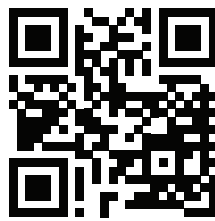


**For more information contact:**

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Or visit us online at:  
[www.abcofgiving.org](http://www.abcofgiving.org)



*Without counsel  
plans fail,  
but with many advisers  
they succeed"*

*--Proverbs 15:22*

**A GUIDE TO GIVING**

## ALL GIFTS ARE PLANNED

When you commemorate special events in the lives of your loved ones, you carefully plan exactly what you will give. You even plan as you give an offering Sunday after Sunday.

Planning from your estate, also referred to as “planned giving,” involves careful consideration as well. WHAT to give can be as important as HOW MUCH or TO WHOM?

Knowing which assets to draw on for retirement income; which to use to provide for loved ones; and which to employ to make a special gift for Christian ministry and mission take time and specialized knowledge in certain areas.

Like other investments, the key to making the most of charitable gifts is to begin by carefully considering what you want to accomplish, and then taking the time to plan effectively.



## A FEW THINGS TO CONSIDER

A number of considerations should be balanced to help ensure that your gifts have the greatest potential impact:

### *Give the right property.*

What you choose to give can be an important factor. You may find that gifts of property other than cash may be more beneficial.

### *Give at the right time.*

Make plans that coordinate with important life events. Planned giving can allow you to make a meaningful gift while helping to provide for other needs such as:

- Retirement security
- Educational expenses
- Care for elders
- Other financial priorities

Tax benefits can also be enhanced by carefully timing your gifts.

### *Give the right way.*

It is important to ensure that your financial needs and those of your loved ones are not jeopardized. Special opportunities exist which allow you to:

- Retain income
- Retain access to property
- Prepare a future gift

Together with your tax advisor or attorney, the American Baptist Foundation will help to find the best gift plan for you, your loved ones and your interests. For more information please contact the Foundation office today!

**Interested in learning more about Planned Giving opportunities that serve both your financial needs and the American Baptist Mission?**

Simply complete & mail the form below.

Name \_\_\_\_\_

Street \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

Zip Code \_\_\_\_\_

Phone \_\_\_\_\_

Email \_\_\_\_\_

(Fold in half, this side facing in, then tape shut)

### **I would like to know more about:**

- Making a will that works for me, my loved ones, as well as ministry & mission.
- How to reduce estate, capital gains and income taxes.
- How to increase and at the same time, support my church or other American Baptist ministries/missions.
- How to establish a planned giving program in my church.

Other: \_\_\_\_\_

### *Give a security while “keeping” it.*

Is there a way to make a charitable gift of an asset while keeping it? Let’s look at the following example. Mr. Johnson wanted to make a gift of \$10,000 cash. He owned some securities that had grown in value over the years that he wanted to keep. Per his advisor’s guidance, he chose instead to give a gift of securities worth \$10,000. Why?

- He was able to gift the securities and avoid paying capital gains.
- His gift was valued at the full value for the stock, not just the price he paid.
- He was able to repurchase shares of the stock with the cash he was originally going to give with a new, higher cost basis.

### *What if my securities have decreased in value?*

If you desire to gift securities, or other property, that have decreased in value, it is usually best to sell the property first, and then donate the cash proceeds. You may be able to claim tax benefits for both a capital loss and the charitable gift, effectively deducting more than the current value of the gift.

### *What other assets can I give?*

Other property may qualify as a gift, including:

- Collections of value
- Artwork
- Jewelry
- Antiques
- Other personal property

Special rules apply when donating these types of gifts. Appraisals may be necessary and deductions may be subject to how the gift will be used.

## **GIFTS THAT CAN BE ARRANGED OVER TIME**

As part of your long-term financial plans, consider including charitable gifts in your estate plan. There are options that allow your heirs to receive the same, or more, while being able to make a gift.

### *Giving through your will.*

A bequest through your will can be a convenient way to leave a lasting legacy. After providing for your loved ones, you may want to gift:

- A specific amount
- A percentage of your estate
- All or a part of the residual of your estate

### *Giving while receiving.*

It is possible to make a gift today while securing income for you or your loved ones. These gifts include:

#### **CHARITABLE REMAINDER TRUSTS**

Provides fixed or variable payments to one or more beneficiaries for a period of time—usually for life.

#### **CHARITABLE GIFT ANNUITIES**

Provides guaranteed payments for life. The rate is based on the annuitant’s age at the time of the gift.

### *Giving through living trusts.*

Trusts created during a person’s life-time (“living trusts”) provide for the management and future distribution of assets while reducing the cost of probate. Charitable gifts can be a practical addition to these trusts.

### *Giving through life insurance.*

If estate taxes are not a concern, if loved ones are already protected, or if you have life insurance policies that have lived out their original purposes, consider:

- Making a charitable gift of their accumulated value.
- Name the charity as a beneficiary to receive all or part of the policy proceeds at death. In this case, no income tax deduction is received.

### *Giving through retirement plans.*

This is an ever-increasing way of giving. When left to loved ones, retirement plans may be subject to both income and estate taxes. For this reason, charitable gifts of retirement plan balances may make a wise gift. If you wish to provide a loved one with income while also supporting ministry, consider establishing an income-producing gift that will satisfy both purposes.

### *“Temporary” Gifts.*

Charitable Lead Trusts may work well for a donor wanting to set aside income producing property now, but wants to retain ownership in the property or pass it to their children at a later time. The charity receives income now and gift and estate transfer taxes can be reduced or eliminated.

### *Revocable Gifts.*

Revocable Trusts provide variable income for life, while still allowing you to withdraw all or part of the funds, if needed. After your lifetime, the trust becomes irrevocable and the balance goes to support American Baptist endeavors you have chosen.

### *Endowment Funds.*

An endowment fund is a permanent fund established to provide a steady stream of income for a valuable cause. Consider establishing an endowment fund named after you or your spouse that will ensure continuous support for ministry and mission.

Read on for ideas that can help you make gifts, continue to provide for your financial security, and still meet the charitable goals important to you.

## **DECIDING WHAT TO GIVE**

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While most will first think of giving cash or writing a check, charitable gifts may also be made using many other types of property.

Exploring the assets you own may lead you to less familiar, but more economical, ways to give.

### *Gifts of cash.*

Cash is the most commonly used way to make a gift:

- Tax benefits are available when you itemize deductions.
- Cash deductions allow a tax break up to 50% of your adjusted gross income (AGI). Any amounts not used can be “carried over” to as many as five years.

When giving cash, be sure to keep acknowledgements and other records to substantiate your gift for deduction purposes.

If you have recently sold securities or other investments, you may want to consider using a portion of the cash proceeds to make an additional gift this year. This may help reduce capital gains taxes.

### *Giving property other than cash.*

Gifts of securities, real estate, or other property can be a way to make meaningful gifts and may maximize tax savings. Qualified property owned for at least one year entitles you to an income tax deduction for the full value of the asset, not just the purchase price. Gifting property that has appreciated in value will exclude you from having to pay capital gains taxes that would normally be due if the property was sold. The entire value of the property can serve to further your charitable goals.