

Modesto Covenant Church

Creative Giving Class

November 9, 2014

1. **Gifts of Appreciated Securities** – Do you have stock(s) in a non-retirement account that are worth much more today than when you paid for or inherited them? If you were to sell them you may be liable for a capital gains tax on the appreciated value but if you donate it/them directly to the church you will avoid the capital gains tax completely
2. **Gifts of Personal property** – Not all gifts have to be cash or securities. Some opt to make donations of personal property that has value. For example, you may choose to contribute artwork, antiques, jewelry, motor vehicles, perhaps even a boat. Note: consult a tax professional to help establish value and tax benefit
3. **Gifts of Life Insurance** – Make the gift by taking out a policy on your life, naming MCC the irrevocable owner as well as the beneficiary. The church receives the premium notices, and you will make annual donations to off-set the church's premium payments.
 - You can also donate an existing policy which can generate an initial tax deduction: the lesser of the policy's fair market value, or the total of your premium payments
4. **Gifts of Real Estate** – The church can accept gifts of residential, commercial, vacation property or undeveloped real estate. You receive a charitable income tax deduction based on the fair market value of the property, with no capital gain liability on the transfer
5. **Required Minimum Distributions (RMD's)** – If you own an IRA or a 401k/403b retirement account and are age 70 ½ or older, the IRS requires you withdraw a minimum amount every year which may be taxable to you. However, if you transfer the required amount directly to the church you may avoid paying tax on the amount withdrawn.
6. **Gifts of Retirement Assets** – Did you know that along with naming your children as beneficiaries of your retirement account you can also name the church as a beneficiary too. In fact, this may save you more in estate taxes than by leaving other property due to different taxation rates
7. **Bequest in Wills and Living Trusts** – One of the oldest and most common ways to contribute to charity so don't forget about this one