

Raise Your Kingdom Impact: Giving Beyond Your Checkbook



Jay R. Link, CGPA

Senior Planned Giving Consultant
Jesus Film Project
The Great Commission Foundation

Michael J. Occhipinti, MBT

Gift Planning Advisor/Western US
Wycliffe Foundation



Stories from the Field

... and the People Who Make It Happen

- The Jesus Film [Video Clip]
- Wycliffe Bible Translators

[https://www.dropbox.com/s/9mhtt2cgiz3y771/Gods%20Heart%20Your%20Part%20Generic corp vid 4394 FINAL.mp4?dl=0](https://www.dropbox.com/s/9mhtt2cgiz3y771/Gods%20Heart%20Your%20Part%20Generic%20corp%20vid%204394%20FINAL.mp4?dl=0)

Five Biblical Principles

1. God is the owner of all.

Psalm 24:1

2. We are his stewards and it is required that we be found faithful.

I Corinthians 4:2

3. The priority of all property transfer is dependency.

I Timothy 5:8

4. The motivation for all property transfer must be love.

I John 3:17,18

5. People are always more important than dollars.

Romans 14:9

Asset-Based Gifts

- On average Americans typically hold 9% to 10% of their wealth in cash. Most hold more than 90% of their wealth in non-cash assets such as securities, retirement plans, real estate, businesses, and the like. ^[1]
- But often when we talk about charitable giving, we think ... and give... from only our checkbook/cash flow.

[1] <http://www.irs.gov/uac/SOI-Tax-Stats-All-Top-Wealthholders-by-Size-of-Net-Worth>



Types of Non-Checkbook Assets

- Securities
 - Stock, bonds, mutual funds
- Retirement Assets
 - IRA
 - 401(k), 403(b), etc.
- Real Estate
 - Residential, Vacation
 - Commercial
 - Rental
 - Farm, Ranch
 - Mineral Rights



- Business Interests
 - Partnership
 - C-Corp
 - S-Corp
 - LLC
- Collectables
- Life Insurance

Giving Strategies Beyond Your Checkbook

- IRA Rollover
- Outright Gifts
- Donor Advised Fund
- Zero-Tax Gift & Sale
- Bequests



Taxes, Taxes, Taxes !!!

- **Income Taxes**
 - Federal: 0% to 39.6%
 - State: 0% to 13.3%
- **Federal Capital Gain Tax**
 - 15% to 20%
- **State Capital Gain Tax**
 - 0% to 13.3%
 - National average is 5%
- **ACA (aka “Obamacare”) Tax: 3.8%**



IRA Charitable Rollover

- **What is it?** A contribution made by the custodian or trustee of your IRA directly to a qualified charity of your choice. It is subject to the following stipulations:
 - Traditional IRAs.
 - Must be at least age 70 ½.
 - Up to \$100,000 per year.
 - Made permanent in December 2015
 - 401(k) and 403(b) do not qualify. Must first roll into IRA.



IRA Charitable Rollover

Features and Benefits

- Satisfies Required Minimum Distribution (RMD) rules.
- Tax Positive—excluded from income and as a tax deduction.
 - May avoid surtaxes (Medicare premiums, tax on Social Security).
 - May avoid limits on charitable and other deductions.
 - May prevent a boost into higher tax bracket.
- Easy to do--just notify your custodian.

When an IRA Rollover May Be Right for You?

If you...

- have a traditional IRA.
- are required to take RMD but don't need income.
- give more than 50% of your AGI.
- want to make a lifetime gift from a large IRA balance.
- intend to leave the charity as beneficiary of your IRA.
- do not itemize and therefore don't receive a tax benefit for your charitable contributions.

Outright Gifts

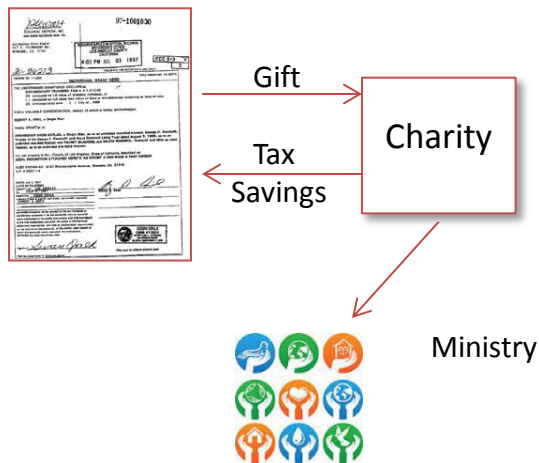
Ed and Donna were long-time donors to Wycliffe Bible Translators. The Lord entrusted to them an parcel of pristine and highly appreciated pasture land on which they keep horses. In their younger riding days, they spent many a weekend riding and camping with their children. The children have grown and the horses are now long gone and the land has been unused for several years.



After learning that people can give not only from their checkbook (cash flow) but also from assets, they felt led to gift this land outright to Wycliffe to translate the Bible for people in the last languages without God's Word.

Outright Gifts

Ed and Donna deeded the property to Wycliffe, received an income tax deduction of the property's appraised value, avoided capital gains taxes, and had the immense satisfaction of making a significant gift to the work of Bible translation to reach those who have yet to hear God's life-transforming Word!



Property Value:	\$200,000
Capital Gains:	\$175,000
Income Tax Deduction:	\$175,000
Tax Savings:	\$ 60,000
Capital Gains Tax Savings:	\$ 40,000
To Ministry:	\$200,000

Stated Ed, *"We never thought we could make a gift of the size and magnitude that we did. God provided us with a beautiful asset from which we had many years of enjoyment. And now, He is using the proceeds from the gift of that asset to reach people for Christ...we are so blessed!"*

Donor Advised Fund

Dawn Brown worked in real estate and acquired several rental properties over the years.

She would like to donate one of the properties to support her church and two of her favorite charities.

Selling the property would trigger a 30% capital gains tax.

What can she do?....



Donor Advised Fund (DAF)

Solution

Established the “Dawn Brown Fund” using a DAF, and contributed the property to the fund.

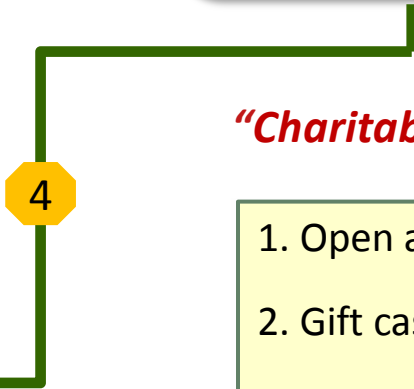
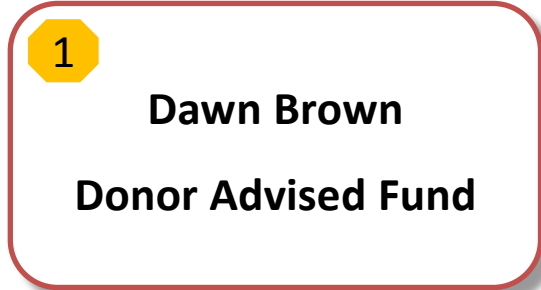
This gave her an income tax deduction for the appraised market value and bypassed federal and state capital gains taxes.

Once the property was sold, she is able to make grants from their DAF to her church and other charities.

Since, setting up her DAF, Dawn has gifted additional appreciated assets into the fund, receiving the same tax benefits.



How does a Donor Advised Fund Work?



"Charitable Checkbook"

1. Open account*
2. Gift cash or assets
3. Receive tax deduction
4. Grant gifts

* \$5,000 to start

When a DAF May Be Right for You?

If you ...

- need time to make thoughtful giving decisions
- want to support several ministries with one large gift
- desire maximum flexibility to change beneficiaries
- want to maximize your giving through non-cash assets
- prefer to keep your giving confidential
- prefer a simple substitute for a private foundation
- desire to involve family members in giving
- need end-of-year tax deductions



Zero-Tax Gift and Sale

David and Char own a real estate property they purchased many years ago. It has appreciated substantially and is now worth \$500,000. Their tax basis is \$100,000.

They have an offer to purchase the property; however, they are balking at the high “price tag” of the capital gains taxes...in their case \$100,000!

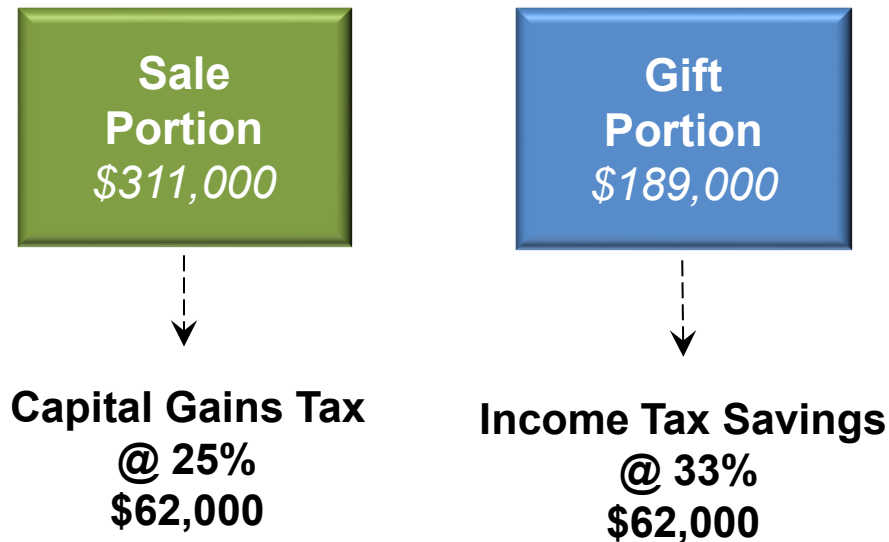
They know they cannot keep all of the sales proceeds (due to taxes) and would like to find a way to both receive the optimal amount of cash from the sale, plus make a gift to the Lord’s work.



A solution: The zero-tax gift and sale...

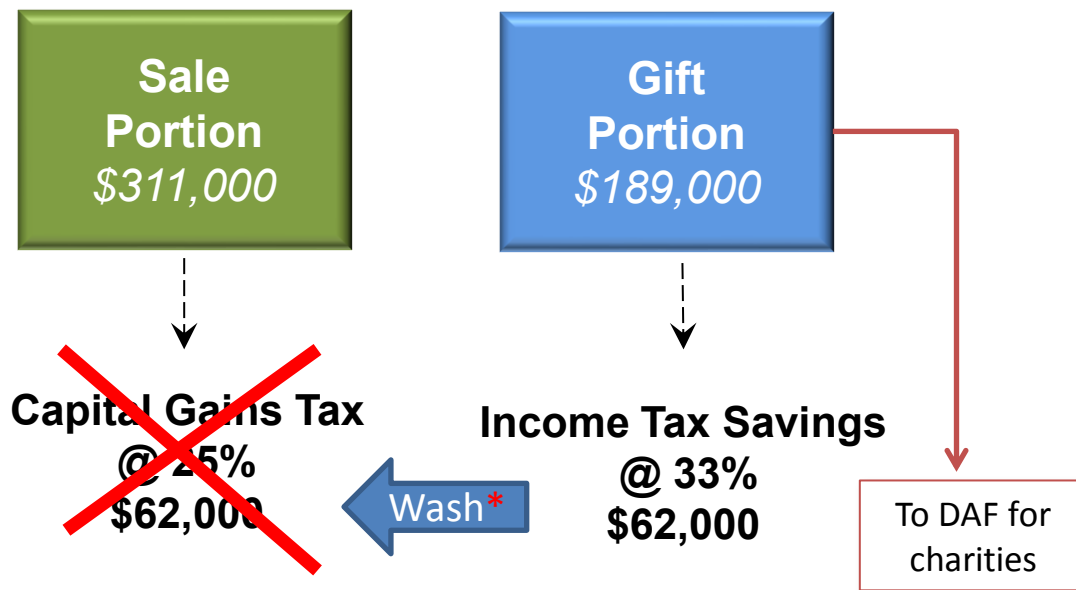
Zero-Tax Gift and Sale

Gift a portion, keep a portion...



Zero-Tax Gift and Sale

Use the income tax savings to offset the capital gain tax liability.



* **Caveat:** Check with CPA to make sure the “wash” will occur in year of gift ... or over 1 to 6 years

The Results:

- ✓ Received \$ 311,000 “Tax-free.”
- ✓ Transferred tax dollars to Kingdom dollars ... \$189,000.
- ✓ Support favorite ministries
- ✓ Joy of giving!



Bequests—There's More than One Way

- Will or Revocable Living Trust
- Beneficiary Designations
- Payable on Death (POD)
- Transfer on Death (TOD)



Bequests are a great way to allow yourself to live on in the life of another person or ministry.

Bequests—Will or Trusts



- **Percentage of residuary of estate**
 - Ministries or individuals receive pro-rata share
 - Amount self-adjusts with value of estate



- **Specific property**--parties may receive proceeds from the sale of the property



- **Fixed dollar amount**—may affect amount other beneficiaries receive



- **Contingent**—directs gift if beneficiaries pre-decease

Bequests—Beneficiary Designations

- **Retirement plans**

- Can be individuals
- Can be charities—avoids IRD tax on qualified plans

- **Life Insurance**

- Can be individuals
- Can be charities
- Can be your Trust—ease of estate administration
- Able to be changed until death if durable power of attorney allows
- Supersedes wording in Will or Trust



Bequests—POD and TOD

- **Payable on Death (POD)**—allows balance in bank accounts at death to pass to beneficiaries named by account owner
- **Transfer on Death (TOD)**—applicable to other assets
 - Securities—all states
 - Vehicles and real estate—some states
- Avoids probate
- Beneficiaries
 - can be changed while alive
 - can receive unequal amounts
 - can not access until account owner dies
- Governed by state law



Gift and Estate Design Service

- This is a premier service offered to you to our ministry partners.
- We will listen to *what* you want to accomplish and *why* and then construct blueprint to show you *how* you can achieve your gift and estate planning goals.
- This is our way of saying thanks for your partnership.
- Your information is kept confidential, and there is never any cost or obligation to give.
- You may have multiple charitable interests. We let the Holy Spirit guide you in your choices.



Benefits of Including Us on Your Team

- Experience no cost, no pressure, no hidden agenda.
- Obtain guidance from those you know and trust.
- Receive help interacting with your advisers.
- Understand the full array of your options.
- Save on taxes.
- Benefit from wise stewardship.



May We Be of Service to You?

Please feel free to contact Michael or Jay. We look forward to the opportunity to serve you and pledge our finest efforts and complete confidentiality.

Michael J. Occhipinti, MBT

Gift Planning Advisor

(800) 681-5103

michael_occhipinti@wycliffe.org

www.wycliffefoundation.org



Jay R. Link, CGPA

Senior Planned Giving Consultant

(616) 836-8120

jlink@gcfccc.org

www.gcfccc.org



Wycliffe[®]
Bible Translators



Wycliffe[®]
Foundation



Jesus Film
Project[®]



GIAL
GRADUATE INSTITUTE OF
APPLIED LINGUISTICS



Questions & Answers