

Current Gifts

As is the case with many families, there are times each year when Michael and Sally focus their attention on gift giving. For years, they have created a gift list that includes their church, family members, friends and loved ones. Last year, Michael and Sally decided to explore more ways of giving to their church.

Sally: Years ago, I inherited stock from my grandmother. We held the stock for several years, but decided to sell a portion of it this year. The stock had gone way up in value, and our CPA informed us that we had a capital gain of nearly \$120,000. We had always planned on making a charitable gift and knew that if we were to make a gift of this stock before the end of the calendar year, we would receive a charitable deduction on the gifted shares. This deduction will help offset the capital gain tax on the stock we sold.

Michael: We contacted our church to discuss the best way to make a gift. The gift advisor noted some of the most common gifts - a gift by check or by transfer of bonds or real estate, to name a few. However, he also mentioned that it might be especially beneficial for us to think about giving some of our remaining appreciated stock.

Sally: We were still holding \$80,000 in the same highly appreciated stock, and did not intend to sell, primarily because of the substantial capital gains tax we already faced. To sell any more would only increase our tax. The gift advisor recommended that we consider an end-of-year gift that would help lower our taxes. He called this a Gift and Sale plan. It meant that part of our stock would be sold and the proceeds would come to us, and part would be gifted to our church.

Michael: That is what we decided to do. By giving the \$80,000 in stock, we received two benefits. First, we avoided a large capital gains tax on that stock. And then, we received a charitable deduction. The deduction even offset the capital gains for our prior stock sale of \$120,000. We are very pleased with the double benefits of our gift. And, we're delighted that we've been able to make a nice charitable contribution.

For more information on Planned Giving Strategies, please, feel free to ask your Pastor.

Disclaimer

These donor stories are for illustrative purposes. Each story is based on an actual gift case or a combination of cases. The names are not representative of the actual donors who were involved in either the cases or the combination of cases. Source: AGFinancial.