

Other Ways of Giving that Can Make an Eternal Impact

Did you know? *Giving does not have to just come from your weekly or monthly income.* Of course, our church will always encourage biblical, sacrificial giving from the income with which God has blessed us..... But have you ever considered giving to the church from your assets as well?

The Concept of Leaving a Legacy through Planned Giving

Most folks have never heard of *planned giving*. Simply stated, a planned gift is a gift made to a charitable cause out of a person's assets, rather than out of general income or cash flow, and is often a part of the person's overall estate or financial plan. A planned gift can be as simple as making a direct gift to the church of an appreciated asset or it can involve establishing charitable type trusts that can have the dual purpose of benefitting both the church and the person who makes the gift.

Exploring the Possibilities

1. Outright Gift of an Appreciated Asset

For those who own securities, real property or other types of assets that have appreciated in value over time, a direct gift of the asset to the church brings great benefit to both the donor and the church. The gift, in most cases, yields income tax benefits to the donor and provides a gift to the church that can be utilized to make a lasting impact in countless lives.

2. Beneficiary Designation

IRA's and Life Insurance policies have beneficiary designations, allowing an individual to name who they wish to pass these assets to after death. These assets can also be passed directly to a charity (the church), either in total or as a stated percent. There may be significant income tax benefits realized by gifting all or a portion of an IRA to charity (the church). There may also be estate tax benefits realized through this gift to charity (the church).

This beneficiary designation passes outside the Will or Revocable Living Trust, and is an excellent way to ensure that the asset goes to the desired individual(s) and/or charity.

3. Pay On Death Designation (POD)

Most bank accounts, including CD's and some Savings Bonds, have a Pay On Death Designation. This is similar to a beneficiary designation on a life insurance policy. A donor can name a charity (the church) as their POD designee. When the donor passes, the financial institution is obligated under law to forward the remaining amount in the account/CD/Savings Bond to the stated designee. There may be estate tax benefits realized through this gift to charity (the church). The POD designation passes assets directly to the designee outside of the Will or Revocable Living Trust, and is an excellent way to ensure that the asset goes to the desired individual or charity.

4. Bequest

A bequest is a gift through a Will or Revocable Living Trust. A bequest can be for a specific dollar amount, or a percentage of the estate. There may be estate tax benefits when a bequest is made to charity (the church). The donor retains all income and access to property during life, and then the bequest is gifted to the charity (the church) for the purpose intended by the donor at their passing. The key to creating a legacy, and passing on values and beliefs to loved ones begins with thoughtful planning through a Will or Revocable Living Trust.

5. Charitable Remainder Trust

A charitable remainder trust (“CRT”) is a trust established to provide an income stream to the donor (and oftentimes spouse) for life, with the “remainder” assets in the trust passing to the church at the time of the donor’s (or last spouse to die) death. In return for the gift, the donor receives a variety of income, gift and estate tax benefits, while the church receives a gift from the CRT that will undoubtedly be a tremendous blessing to the Lord’s church and His people for years to come.

6. Charitable Lead Trust

A charitable lead trust (“CLT”) is in many ways the opposite of a CRT. It is a trust established to provide an immediate income stream to the church, with the remainder assets in the trust passing to the donor or other family members. A CLT can be established to bring a variety of income tax benefits to the donor or gift and estate tax benefits to the donor and family members.

The above discussion should in no way be construed as tax or legal advice. The Heights Baptist Church does not give tax or legal advice. The planned giving strategies mentioned above are informational in nature and can be complex. The Heights Baptist Church strongly urges you to seek the advice of a competent tax and/or legal professional before making any type of planned gift.