

SOMETIMES GIVING BEGINS IN YOUR OWN BACKYARD.

It is a little known fact that property of all kinds can be given to further our fund appeal.

The possibilities are limited only by your imagination and circumstances. Since donations of property are based upon worth, not cost, you may be in a position to give something of far greater value than what it cost initially to acquire. You can also expect to take a tax deduction for the fair market value of the property at the time it is given. Depending on your circumstances, an appraisal from a qualified source may be required for any deductions of \$5,000 or more.

REAL ESTATE?

This option covers a lot of ground. Literally! Basically, if it has a deed, you can gift it. The possibilities include:

- Vacation Homes
- Undeveloped Land,
- Commercial and Rental Properties



RACINE LUTHERAN
HIGH SCHOOL

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WHO SAYS "IT HAS TO BE CASH"?

Give more than you thought possible.

This is the benefit of including assets as a part of your giving! The monetary value of the gift typically exceeds what you might give as cash outright. In fact, cash doesn't even enter into the picture. In most cases, asset-based giving is as simple as assigning ownership to the school. Of course, there are many variations on this theme. Here are just a few to get you thinking.



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LIFE INSURANCE

There are special ways you can use life insurance as a gift-giving device. Some examples include:

- Give the cash value accumulated in a policy.
- Donate the annual dividends of a policy.

APPRECIATED ASSETS

Racine Lutheran High School can accept gifts of land or other real estate, stocks, bonds, mutual funds, works of art, or other types of personal property. For example: stock purchased in 1990 for \$5,000 could have a market value of \$21,000. Rather than selling the stock and paying income tax on the \$16,000 capital gain, you can transfer the stock to the church and take a tax deduction based on the market value of the stock at the time of the gift. In this way, you would maximize your gift, maximize your tax deduction and, at the same time, minimize your tax liability.

MAXIMIZE YOUR GIFT. MINIMIZE YOUR TAXES.

The advantages of giving stock can be dramatic. The example below is based on a gift to the church of \$21,000 and assumes a 35% marginal tax rate and an 18% combined capital gains tax (15% federal+3% state).

Compare & Rejoice!	Gift of Stock	Gift of Cash
Value of the Gift.....	\$21,000	\$21,000
Charitable Tax Deduction	\$21,000	\$21,000
Original Cost of the Stock.....	\$5,000	
Capital Gains.....	\$16,000	
Capital Gains Tax Avoided	\$2,880	
Tax Savings.....	\$7,350	\$7,350
Total Tax Savings	\$10,230	\$7,350

DEFERRED GIFTS

There are a variety of ways to give through trust funds, which have advantages for short-term and long-term giving, as well as tax planning. A financial advisor can detail the plans available for giving to the school through various trusts.



IRA CHARITABLE ROLLOVER

The IRA Charitable Rollover Act allows for individuals age 70½ and older to make tax-free distributions from individual retirement accounts to a qualified charitable organization. The maximum of \$100,000 is per taxpayer each year. An IRA rollover is a tax-exempt distribution from an IRA. The amount transferred can be used to meet the donor’s required minimum distribution. Amounts in excess of \$100,000 must be included as income but may be taken as an itemized charitable deduction, subject to the usual AGI annual cap for contributors.

BEQUESTS OR PLANNED GIVING

Making an unrestricted gift, or designating the school, through a will or trust is another significant expression of stewardship. This allows a person to make a significant contribution that may not have been possible during life. Such an estate gift will have a lasting impact on our school.

ASSISTANCE WITH GIVING OPTIONS

Consideration of the special ways of giving described in this pamphlet can lead to action that will greatly benefit the school’s work and ministry and be of personal benefit as well.

Discuss these options with your tax professional. If you have any additional questions or need more information, please call the Racine Lutheran High School at (262) 637-6538.