



GIVING APPRECIATED ASSETS

Benefit the Kingdom Now

Much of the individual wealth in the United States is held in assets other than cash or bank deposits. Increasingly, the value of real estate, stocks, bonds, mutual funds, and other assets exceeds that of cash holdings and regular income of many Americans.

These types of assets, commonly referred to as appreciated assets, have the ability to increase in value, or appreciate, over time. Gifts of appreciated capital assets give a person the opportunity to make a significant charitable contribution while taking advantage of savings on taxes.

When it comes to making contributions to your church and other ministries, giving cash may not be the best idea. Gifts of appreciated assets offer an income tax deduction plus other tax advantages as well.

Tax Benefits of Giving Appreciated Assets

–**Charitable Income Tax Deduction:** Similar to gifts of cash, a charitable deduction from federal income tax is available for gifts of appreciated assets. Capital assets are subject to stricter deduction limits than cash. Consult the LBF or your advisor for details.

–**Capital Gains Tax Avoidance:** Donating the asset to your church or other ministry (through the Louisiana Baptist Foundation), rather than selling and donating cash, can help you avoid tax on the increased value of the asset, if held for more than twelve months.

–**Estate Tax Avoidance:** Although most estates are not large enough for estate taxes to be an issue, this tax is still one of the most burdensome in our system. By giving an asset to a ministry or to your church, that asset is removed from your taxable estate and not subject to this tax.



“As each one has received a special gift, employ it in serving one another as good stewards of the manifold grace of God.”

1 Peter 4:10

“You can always give without loving; but you can never love without giving.”

Amy Carmichael,
Missionary to India



LOUISIANA
BAPTIST
FOUNDATION

STRATEGIES FOR GIVING APPRECIATED ASSETS

The Louisiana Baptist Foundation has been assisting donors with charitable gift annuities, bequests, and other charitable giving since 1944. Please contact us to learn how your gift can be used for *Advancing the Kingdom*.

Reduce the Impact on Cash Flow

Use stock or other appreciated securities to satisfy an annual tithe or offering to your church. This frees up your regular income to meet monthly obligations.

Turn an Appreciated Asset Into Income

By using an appreciated asset to establish a life income plan, such as a Charitable Gift Annuity or Charitable Remainder Trust, it is possible to avoid taxes and produce an income stream to yourself and/or a loved one for life or for a designated period of years. The remainder that is left after meeting the income obligation goes to your church or a ministry that you choose.

Donate Partial Interest

If you are considering selling an appreciated asset and donating part of the proceeds to your church or ministry, instead donate part of the asset first. This allows basically the same charitable deduction as donating cash while taking advantage of capital gains tax avoidance on the gifted portion. The "cost" of making the gift is lessened.

Other Advantages

Giving property located in another geographic area can eliminate the burden of managing that property. You can also reduce costs of probating your estate by giving an asset located in another state or parish.

METHODS OF USING APPRECIATED ASSETS

Outright Gift - Give the asset directly to your church or other ministry. The Louisiana Baptist Foundation can receive the asset on behalf of the ministry, make the sale, and pass the net proceeds to the ministry.

Endowment - The Foundation can establish an endowment using your appreciated asset. The endowment will preserve the principal of the gift and pay a permanent income stream to your church or other ministry.

Life Income Plans - Charitable Remainder Trusts and Charitable Gift Annuities can help take advantage of tax savings while providing an income to you and/or a loved one. The remainder goes to your selected ministry.

Donor Advised Fund - A Donor Advised Fund with the Foundation allows you to make a charitable contribution in the current tax year, then advise the Foundation on the ministries it supports over time from the DAF. The right to advise the Foundation can be transferred to other family members if necessary.

This information is ***not*** to be substituted for legal advice. Consult a knowledgeable legal professional to assist you with your estate planning needs.

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ADVANCING THE KINGDOM...

One dollar at a time. One ministry at a time. One life at a time.