

WHY GIVE AT YEAR-END?

The end of the year is the perfect time to reflect and give thanks for the many ways God has enriched our life. As we remember God's greatest gift to us, His Son, the Christmas season is the perfect time to offer gratitude for His grace by making a special gift to the church. Our gratitude is the only thing we can give back to God that He doesn't already have.

What ministries are important to you? How has being a part of the *Body of Christ* affected your life or your family's life? When we join the church, we promise to support its ministries through our **prayers**, our **presence**, our **gifts** and our **service**. As we celebrate Christmas this year, consider how we can give back to the One who gave so much for us.

Additionally, since tax laws intentionally encourage charitable giving, individuals who itemize their deductions, can further reduce income taxes for 2009 if a gift is made by December 31st.



HOW MIGHT YOU GIVE?

Sometimes gifts at year-end are lump sum contributions to complete a pledge or long term commitment. Often gifts at year-end are second mile gifts, over and above your regular contribution which can help the church fulfill or even expand its mission commitments and serve the Kingdom of God more abundantly.

To honor a loved one or to honor the memory of a loved one with a gift to your church is a very appropriate and meaningful way to give thanks for that person and celebrate their life during this holiday season.



WHAT CAN YOU GIVE?

A Gift of Cash: This is the simplest and most flexible way to make a gift. Many have found great joy in giving to the church if they receive a year-end bonus. If you use cash, be sure to use an offering envelope with your name and address on it so that your gift will be credited to you on your yearly statement. If you write a check it must be dated 2009 and postmarked or received by December 31, 2009.

A Gift of Appreciated Securities: Consider a gift of stock that may have substantially increased in value and that you have held for more than one year. By gifting them directly to your church, you will receive a charitable deduction for the fair market value of the assets on the date of the gift, and you will avoid any federal capital gains tax that would otherwise be due on the sale of that asset. However, if you own securities that are worth less now than when you purchased them, you may be better off to sell them first, take the capital loss on your tax return, then contribute the proceeds. The combined amount of the deductible loss and the charitable deduction may total more than the current value of the investment but plan ahead.

Gifts of securities take several days to process. Contact your church treasurer or the United Methodist Foundation of Western North Carolina to discuss a gift of securities to your church.



OTHER GIFTS TO CONSIDER

Gifts of Life Insurance: Do you have a policy you don't really need any more? Naming the church as owner and beneficiary of that policy provides an easy way to make a gift and to receive a current income tax deduction.

Policies that make good gifts include those for which their primary purpose no longer exists (e.g. protection of grown children's college money, mortgage insurance for a paid up mortgage or other "obsolete" policies). Any future premium payments you make on a donated policy will also be tax deductible.



Gifts from a Retirement Account:

If you are over the age of 59 1/2 and have an IRA or other tax-favored retirement account, you may prefer to withdraw an amount sufficient to fund your charitable gifts for the year. Although you will normally report the income on your tax return when you itemize your deductions, you are entitled to a corresponding deduction for the amount of the gift. This can result in a "wash" for tax



purposes, with no tax owed on the amount withdrawn. Check with your tax advisor to see if this would be a beneficial way for you to make a gift this year.

LIFE INCOME GIFTS

Charitable Gift Annuity: A contract between the donor(s) and the United Methodist Foundation of Western North Carolina that provides advantages for both the donor and your church. The benefits for the donor include:

- Guaranteed fixed payments for life, a portion of which is nontaxable
- Charitable income tax deduction for a portion of the gift
- Reduced capital gains taxes on appreciated stock if used to fund the gift annuity
- Support of the ministries at your church

Gift annuities may be funded with gifts of cash, appreciated stock, or other property.

Charitable Remainder Trust: A personal management plan that provides both a lifetime income and a charitable income tax deduction to the donor. The donor selects the payout rate, usually between 5% and 7%, which gives the donor, and perhaps the donor's spouse or other beneficiary, an income every year for life. The higher the payout rate, the lower the charitable income tax deduction. If the trust is funded with appreciated securities, capital gains taxes are avoided. There are two types of charitable remainder trusts: the annuity trust and the unitrust.

a. Charitable Remainder Annuity Trust:

The charitable remainder annuity trust pays a fixed, guaranteed dollar amount, regardless of the trust's investment performance. The income rate is determined at the time the trust is funded. The annuity trust is best for donors who seek a regular, fixed income and prefer to have the satisfaction of knowing the exact amount of the payment in advance. No additional contributions may be added to an annuity trust.

b. Charitable Remainder Unitrust:

The charitable remainder unitrust pays the donor a predetermined percentage of the fair market value of the trust's assets and are revalued annually. If the trust's assets increase, the donor receives a larger payment, providing a hedge against inflation. Additional contributions may be made to a unitrust.



As you consider these gift options, please contact your financial advisor to determine which gift is best for you.

**IRA ROLLOVER GIFTS:
A UNIQUE TAXWISE METHOD
OF GIVING IN 2009**

In order to help charities further their good work, Congress extended the rules for charitable gifts made from IRAs through 2009. If you are over 70 1/2, Federal tax laws allow you to make a gift from your IRA to a charity without claiming any increased income or paying any additional tax. This tax free rollover gift can be any amount up to \$100,000 in one year. Consult with your professional tax advisor and your IRA custodian to see how a charitable "IRA Rollover" could be a taxwise gift to give to your church this year.

This brochure was designed by the United Methodist Foundation to be used in the churches of The Western North Carolina Conference and to enhance year-end giving.



1 800-562-7929 ext 146

The United Methodist Foundation is committed to a vision of creating a Christ centered community where the faithful stewardship of financial resources enables the Church to follow Jesus, make disciples and transform the world. Our mission is to fulfill this vision by promoting the sharing of God's resources through faithful, financial partnerships.

2009 Year-End Giving Opportunities

