

GIVING OPPORTUNITIES AT GOOD SHEPHERD

TAX INFORMATION

Federal and state laws on income and inheritance taxes encourage charitable giving. All contributions to Good Shepherd are deductible for those who itemize their taxes. A financial statement is mailed to each donor at the end of the year for tax purposes.

PRAYERFUL JOYFUL GIVING

Because each situation is different, we urge you to discuss various gift options with your family and possible financial advisors to determine what type of gift is most beneficial to you and Good Shepherd. Please remember the amount you wish to give is a personal decision that must be considered carefully. Financial circumstances differ for each family. Only you can decide what gift you can offer back to the community. We hope that each family will make a gift prayerfully and joyfully, as together we all work to further build the kingdom of God in this wonderful faith community we know as Good Shepherd Church.

OPPORTUNITIES FOR GIVING

Sharing your treasure with your faith community demonstrates your belief in our mission and is a reflection of the love, faithfulness and commitment to the Good Shepherd vision. There are many giving opportunities available at Good Shepherd, such as gifts of cash and stock, and various planned gifts.

GIFTS OF CASH

Gifts of cash are the most common and simplest form of giving. Every dollar you give to Good Shepherd is tax deductible in the year it is given. The maximum deduction allowed for gifts of cash in one year is limited to 50% of your adjusted gross income. Any amount given in excess of this limitation can be carried over and deducted for up to five subsequent years. For tax purposes, a statement will be mailed to each donor at the end of the year. To make a Cash Gift, use the monthly envelopes that are mailed to your home or sign up for the credit card automatic withdrawal plan for Visa or MasterCard. To sign up for automatic withdrawals, please call or email [Dennis Greiwe](#), Business Manager at 489-8815 x717.

MATCHING GIFTS

Many companies have a “matching gifts” program. Companies may elect to match 50-100% of employee gifts, which can make a significant difference in your level of support to Good Shepherd. Please contact your Human Resource department to inquire.

GIFTS OF STOCK

Generally the fair market value (FMV) of property at the time it's donated to a charitable organization is deductible. Fair market value is the price at which property would be sold in a transaction between a willing buyer and a willing seller, both of whom have full knowledge of the relevant facts. In every case in which the FMV of donated property is less than the cost of the property, the allowable tax deduction is FMV. If donated property has appreciated in value (FMV is more than cost), the allowable tax deduction is the FMV. In most cases, if the donated property was owned by the donor for personal or investment purposes. This means simply that if the taxpayer owned the property one year or less, the allowable tax deduction is the cost of the

donated property. If the taxpayer owned the donated property for more than one year, the allowable tax deduction is generally the FMV of the property.

Example A

A taxpayer purchased 100 shares of ABC stock in March 2002 for \$1,000 and gave it to Good Shepherd in November 2002 when its value, as quoted on the stock exchange, was \$2,000. The taxpayer would only be allowed a tax deduction of \$1,000 because the stock had been owned for less than one year.

Example B

A taxpayer who purchased 100 shares of ABC stock for \$1,000 in 1999. In November 2002 when taxpayer gives the stock to Good Shepherd, the value of the stock, as quoted on the stock exchange, is \$2,000. The taxpayer can deduct the full \$2,000 as a contribution in 2002 because the stock was owned for more than one year.

When total property contributions of more than \$500 are deducted in any one year, IRS form 8283, Non Cash Charitable Contributions must be completed. The name and address of the charitable organization, when and how the property was acquired, and the method used to value the property are reported to the IRS on this form. If a single item of donated property (or aggregate of similar items) has a value of more than \$5,000, additional information must be reported on IRS form 8283 and the recipient organization must sign the form.

Before considering this approach to giving, you may want to seek both legal and tax advice to assure that the circumstances of each case are properly handled. Direct your questions about Gifts of Stock to [Teri Cunningham](#) at 513-489-8815 x738.

PLANNED GIFTS

A planned gift provides for the church's ministry and mission in the years ahead because it sustains the church long after our own earthly life is ended. Many people who have faithfully supported the church during their membership know that the church counts on their financial support. Planned giving is the method of designating a portion of ones estate to the church using one of the various planned giving vehicles available. Some of the vehicles available for making a planned gift are annuities, bequests, life insurance, and trusts.

Planned giving provides a number of opportunities for those who wish to see Good Shepherd remain financially solvent in the future, while at the same time, providing for the distribution of assets at the time of death. Planned gifts help the church to know what resources it will have in the future. Planned giving offers significant tax benefits and can be established to provide tax sheltered income during the donor's lifetime, while providing for other loved ones as well as the church in years ahead.

Knowledgeable and experienced professionals-accountants, attorneys, trust officers and financial planners can advise you on the most effective way to make a gift or leave a bequest for Good Shepherd Church. These specialists can demonstrate how a planned gift can generate tax savings and/or an income stream for you, a spouse, or children. Direct your questions about Gifts of Stock to [Teri Cunningham](#) at 513-489-8815 x738.

Annuities

The charitable gift annuity is an irrevocable contract under which a charity, in return for a transfer of cash or other property, agrees to pay a fixed sum of money for a period measured by one or two lives. The person who contributes an asset for the annuity is called the “donor” and the person (s) who receive(s) payments is call the “annuitant” or “beneficiary.”

Under this contractual arrangement a donor makes a gift of cash, securities to the sponsor of the annuity, the Archdiocese of Cincinnati, for the benefit of Good Shepherd, in exchange, for monthly or quarterly payments to the donor and. If a two person annuity, paid as a fixed income for life. The Archdiocese of Cincinnati assists the donor in this process and will work with a third party to handle the administrative aspects of the gift.

Gift annuities will be issued using the rates recommended by the American Council on Gift Annuities (www.pgresources.com/acga.html). The financial benefits derived from creating a gift annuity enable you to make significant contributions, often larger than would otherwise be possible or comfortable.

The donor can claim a current charitable deduction for the portion of the transfer that represents the charitable gift element; this is the amount by which the value of the property transferred to the charity exceeds the value of the annuity received. Another tax benefit is a portion of the annuity payment is income-tax-free over the life expectancy of the annuitant. This is looked at as a return of the original investment for tax purposes.

Direct your questions about Gifts of Stock to [Teri Cunningham](#) at 513-489-8815 x738. As with all significant financial transactions, expert professional assistance should be sought.

Bequest / Will

A bequest, more commonly known as a will, is a legal document that outlines a person’s wishes as to what should be done following his or her death concerning the disposition of their property and the administration of the estate.

A will is revocable during one's lifetime, and it can be changed at any time. The provisions of a will do not take effect until the time of death and it applies to the situation that exists at death as to your assets and beneficiaries.

With a will, you can take full advantage of estate tax savings by creating trusts. You can also assure equitable distribution of the death tax burden by setting forth specific directions for the payment of these obligations.

Direct your questions about Gifts of Stock to [Teri Cunningham](#) at 513-489-8815 x738.

She will be glad to help you decide the best way to implement your wishes along with your attorney.

Life Insurance

Good Shepherd may be named as the beneficiary of an existing or a newly purchased policy. There is an immediate income tax deduction for the gift’s value, plus possible estate tax savings. This is an easy legacy gift to leave your parish with very little cost to the donor. Many times people who are unable to give during their lifetime find this to be a wonderful way to express their faithfulness and thanks to their community. Please consult your insurance agent regarding this option. Direct your questions about Gifts of Stock to [Teri Cunningham](#) at 513-489-8815 x738.

Trusts

There are two basic types of trusts:

Charitable Remainder Trusts

For larger gifts, there are many advantages to a charitable remainder trust. With a charitable remainder trust you transfer assets irrevocably to a trust, in exchange for payments to yourself or other beneficiaries. The remainder is then turned over to Good Shepherd after the death of the last surviving income beneficiary to help insure the vitality of the Church. There are two basic kinds of remainder trusts: Annuity and Unitrusts

Annuity Trusts - These types of trusts provide a fixed payout of not less than 5% of the initial fair market value of the gift in trust. This type of payout is especially suitable for an individual who needs the security of specified income. When the trust is terminated, the remaining principal becomes available for the work of the Church.

Unitrusts - This type of trust provides a variable payment to the beneficiary(ies), who would receive a percentage, a minimum of 5%, of the net fair-market value of the trust assets. These assets are valued annually.

Charitable Lead Trusts

A lead trust is the opposite of a remainder trust. The donor transfers property to the Lead Trust for a period of years or for a lifetime of an individual(s). The income generated by the trust assets is distributed to Good Shepherd Church. At the termination of the Trust, the principal reverts to the donor or distributes to one or more persons designated by the donor.

Trusts can be attractive for several reasons: a) The gain of the appreciated property is not taxed, b) the value of the charitable remainder will generate some income tax savings, c) the donor's interest in the trust is not subject to the tax on excess distributions, d) increased income for your family, e) diversion of income to a family member in a low tax bracket, f) estate tax savings, g) avoidance of gift tax, h) a hedge against inflation, and i) reduced estate settlement costs. If you are interested in using this form of planned gift for the benefit of Good Shepherd Church please seek a professional who specializes in trusts. Direct your questions about Gifts of Stock to [Teri Cunningham](#) at 513-489-8815 x738.