

Ways to give

There are a variety of ways to live out your stewardship both during your lifetime and beyond. You will find that these plans help maximize the benefits of the gift both to you and to the Church.

Cash, a popular gift: Charitable gifts are most often made in the form of cash and checks. Cash gifts are convenient for many people and are easily recorded through canceled checks and receipts. Remember that it is important to save all receipts to assure maximum tax savings.

Outright gifts: Outright gifts are among the simplest and most immediate ways to exercise stewardship. Though most outright gifts are made in cash, it may be better for the management of your assets to use a different type of property to make a gift, such as:

1. Securities
2. Personal property
3. Paid-up Insurance
4. Real Estate
5. Closely-held Stock
6. Retirement Plan

Appreciated property: If you have non-cash property, such as stocks and mutual funds, that is worth more than you paid for it (appreciated) and been held long-term (more than one year), you can generally enjoy greater tax savings from giving such property than from giving an equivalent amount of cash. A gift of appreciated property lets you bypass capital gain tax that could be due if you sold the asset. You are also entitled to a charitable deduction based on the property's current value, including the "paper profits" you have earned since you have owned it.

Gift of grain: When handled properly, grain donations can create a tax savings for the donor. However, many times the donor delivers the grain to the elevator and directs that a check be issued to the parish, school or diocese. This would be considered a "cash" donation. It does not constitute a grain donation because the ownership of the grain was never transferred to the charity.

The tax consequences to the donor can be much more favorable if the farmer donates the grain to the parish, school or diocese. Depending on the individual situation, the donor can possibly avoid income tax and self employment tax on the value of the donated grain. For a proper grain donation, the farmer must deliver the grain to the elevator and transfer ownership title of the commodity to the parish, school or diocese. The parish, school or diocese must make the final decision to sell the grain.

Life Insurance: Life insurance is an ideal means for a charitable gift. By designating a charity as the owner and beneficiary of a new or existing life insurance policy, you will be able to make a meaningful gift without depriving your family or depleting your estate. You will also receive significant tax advantages. A gift through life insurance is a wonderful opportunity for you to provide a living memorial for yourself, your family or someone you love.

Retirement Plans: If there are assets remaining in your retirement plan (IRA, 401 (k) Keogh, etc.) at the time of your death, your heirs may have to pay up to 75% of those assets in income, excess accumulation taxes. Naming the diocese, your parish, or other Catholic agencies the final beneficiary of a retirement plan avoids these taxes and enables you to make a significant and memorable contribution to the Church.

Bequest in your Will: The gift of a percentage of your estate, a specific amount or item or the rest and residue of your estate is a good way to continue your stewardship at your death. Your parish, school and/or the diocese have counted on your generosity during your lifetime. Now you can leave a legacy upon your death.

Charitable Remainder Trusts: A Charitable Remainder Trust allows you to make a generous gift to your parish, school and/or the diocese while retaining a life income from the Trust for one or more beneficiaries. At the death of the last beneficiary, the named charity receives the “remainder of the trust.” Besides relieving you of the management of the assets, this Trust also provides tax benefits.

Life Estate Contracts: A personal residence or farm can be deeded to a charity while you retain a life estate, that is, the right to live on the property as long as you and/or your spouse live. With this agreement, the donor receives an immediate income tax deduction for the gift and avoids some probate expenses.

TAKE THE NEXT STEP:

Please contact Andy Gaertner at the Diocese of Davenport, 563-888-4252 or email at Gaertner@davenportdiocese.org. Andy will help you with many of these gift opportunities. You may also need to have your lawyer involved. Take a step in practicing life-long stewardship and leaving a legacy.