

PROFESSIONAL ADVISORS

# 2024 strategic giving guide

Solutions and strategies to help your clients send more to the causes they care about



National Christian  
FOUNDATION®

# Open up new horizons for heart-level conversations with strategic giving solutions from NCF

Your clients depend on you for wise strategies for their financial planning. But what about their strategy for giving? Helping them grow on their journey of generosity is a great opportunity to deepen your relationships, grow your practice, and steward the influence God has given you.

Let's get started →



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# Help your clients open a donor-advised fund

If your clients are tired of the paperwork, tracking donation receipts, and administration that often surround their generosity, a Giving Fund (donor-advised fund at NCF) can help. They can open a fund in minutes, make tax-deductible donations, and then go online from any device to browse charities and make an impact for their favorite causes. It's a simple and flexible solution, great for personal, family, or business use.

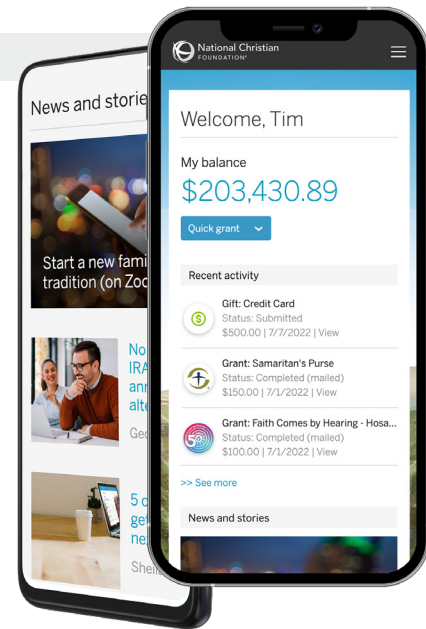


## BENEFITS

- Simple – Reduce paperwork, receipts, and administration
- Convenient – Manage all giving online from any device
- Christian – Enjoy engaging with a team with shared values
- Automated – Set up recurring gift and grant schedules
- Collaborative – Enjoy giving with family and friends

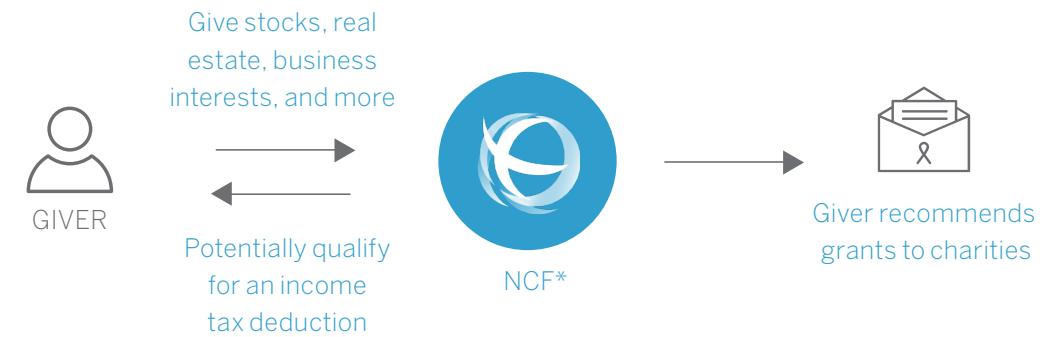
## Open a Giving Fund today

Learn more or get started at [ncfgiving.com/givingfund](https://ncfgiving.com/givingfund)



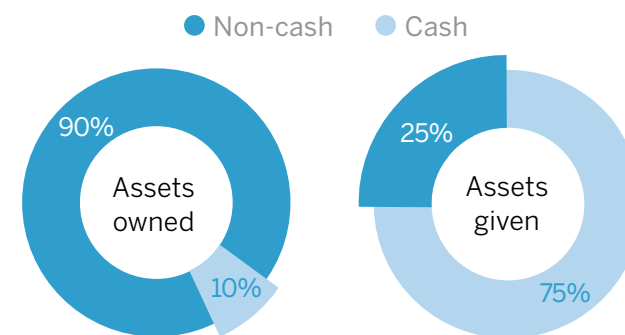
# The power of non-cash giving

Your clients may dream of giving significantly more to the charities they care about, but that can seem out of reach. The majority of their giving is likely done with cash, while most of their wealth is tied up in other assets, like business interests, real estate, and securities. Instead of writing checks to charity from post-tax dollars, they can multiply their impact by giving appreciated non-cash assets.



## A NEW PERSPECTIVE

The first chart shows how most people's wealth is in non-cash assets, while only a fraction is in cash. But the second chart shows how most gifts are from cash, with only 5% from non-cash. What type of impact could your clients have if they gave more from non-cash assets?



Source at [ncfgiving.com/noncash](https://ncfgiving.com/noncash)

## BENEFITS

- Expanded giving capacity – Accelerate your clients' generosity by giving from wealth tied up in their business or other non-cash assets, rather than cash flow.
- Tax efficiency – Your clients enjoy a potentially significant reduction in capital gains taxes, and receive a greater potential income tax deduction.
- More to charity – Help your clients experience the joy of increased charitable giving and more impact for the causes they love most.
- Trusted experience – NCF's in-house charitable giving team can help your clients before they decide to sell to get the most giving out of their appreciated assets.

\*Non-cash gifts may be made to one or more of NCF's related entities.

## Giving publicly traded stocks

In most cases, if your clients have appreciated stocks or mutual funds in a taxable investment account, they have significant opportunity to use those shares to create more charitable impact in a tax-efficient way. Instead of selling the stocks and giving from the proceeds, it is wiser to donate these appreciated securities and give from the proceeds made available in their Giving Fund.



### TRADITIONAL GIVING USING CHECKS

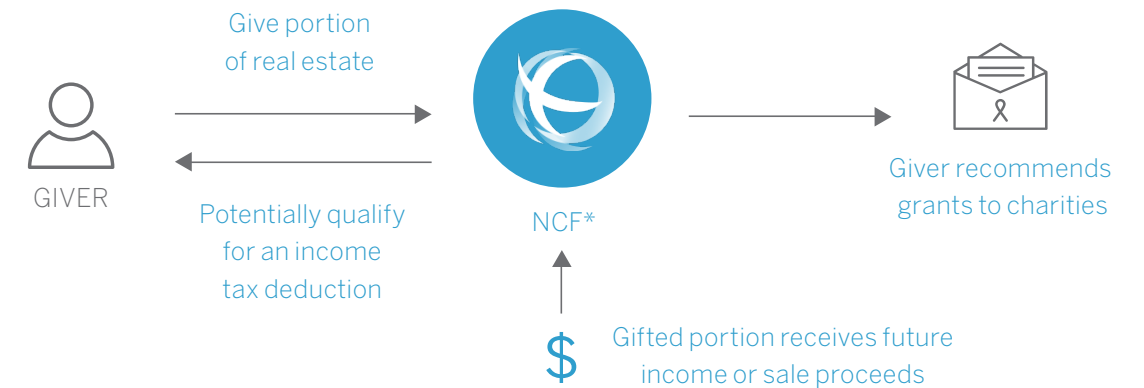
1. Start with \$10,000 in cash
2. Write checks to charities for \$10,000
3. Potentially qualify for a \$10,000 charitable deduction
4. Continue to pay capital gains tax in their portfolio (now or later)

### MORE GIVING USING STOCKS

1. Donate \$10,000 of stock to NCF
2. Potentially qualify for a fair market value charitable deduction of \$10,000
3. Shares are sold by NCF with no capital gains tax implications, with proceeds placed into a Giving Fund
4. Use potential tax efficiency to give more

## Using real estate to fund charity

If your clients own rental property, land, or commercial buildings, and they're wishing they could give more to charity, donating one of these assets may be a great solution. In most cases, your clients will receive an income tax deduction for the fair market value of the gift, freeing up additional cash for giving.



### BENEFITS

- Maximize giving by preserving the value of the gifted asset for charitable impact
- Use annual charitable deductions for non-cash asset gifts (up to 30% of AGI), potentially increasing giving and cash flow
- Mobilize NCF's portion of future income for granting to charities (NCF may have 60% tax efficiency on pass-through, taxable net income during ownership)
- Potentially avoid or reduce capital gains taxes on the gifted portions' future sale proceeds, moving more dollars to charity

### RESULTS

This table shows the impact of giving a \$1,000,000 piece of land with a \$100,000 cost basis and no debt.

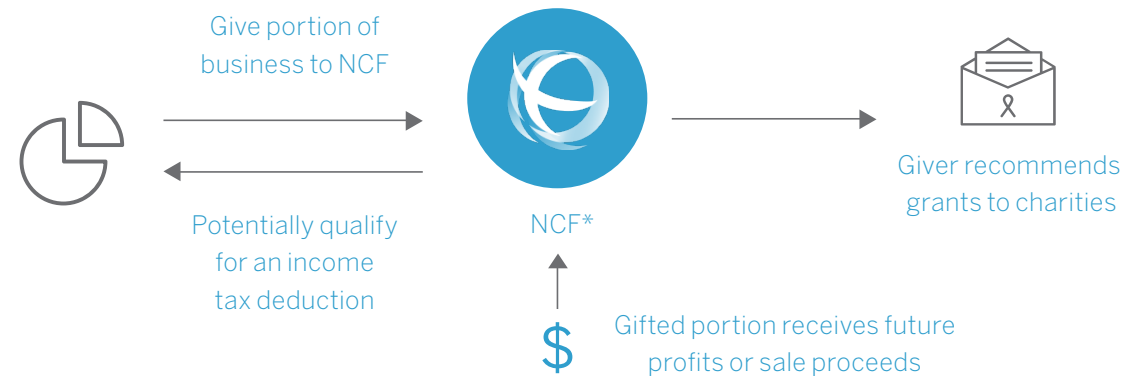
	Family	Taxes	Charity
<b>Sell then give cash</b>	\$311,000	(\$52,000)	\$741,000
<b>Give property before a sale</b>	\$420,000	(\$420,000)	\$1,000,000
<b>Difference</b>	\$109,000	\$368,000	\$259,000

As a result of giving assets vs. giving cash, **\$259,000** more would go to charity and **\$368,000** less would be payable in taxes.

Assumed tax rates:  
 Capital gain – 20% federal, 5% state, 3.8% NIIT  
 Ordinary income – 37% federal, 5% state

## Using business to fund charity

There can be significant benefits when your clients donate a portion of their business or business interests to charity. They typically receive a fair market tax deduction, and potential taxes on NCF's portion of the company's future income may be reduced, resulting in more money for charity. When the business is subsequently sold, NCF will likely pay less in potential taxes, putting more in your clients' Giving Funds for granting.



### BENEFITS

- Maximize any potential liquidity event by preserving the value of the gifted asset for charitable impact
- Use the annual charitable deduction for non-cash asset gifts (up to 30% of AGI), potentially increasing cash flow for more giving
- Mobilize NCF's portion of future income for granting to charities (NCF may have up to 60% tax efficiency on pass-through, taxable net income during ownership)
- Potentially avoid or reduce capital gains taxes on the gifted portion, moving more dollars to charity

### RESULTS

This table shows the impact of giving a 20% interest in a \$5M C-corp (with a \$100,000 basis) prior to a potential sale.

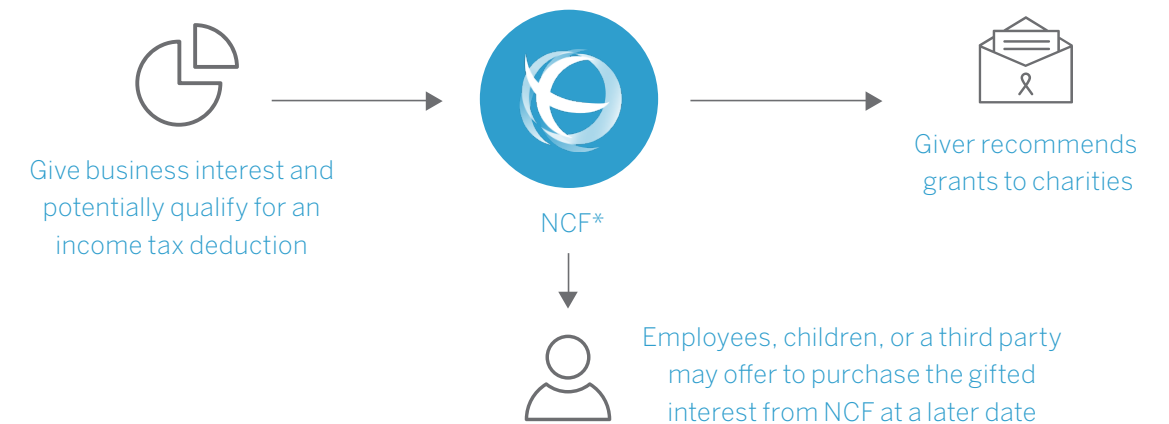
	Family	Taxes	Charity
<b>Sell then give cash</b>	\$3,172,000	\$1,110,000	\$718,000
<b>Give stock then sell</b>	\$3,228,000	\$772,000	\$1,000,000
<b>Difference</b>	\$56,000	(\$338,000)	\$282,000

As a result of giving assets vs. cash, **\$282,000** more would potentially go to charity while increasing net cash flow by **\$56,000** for more giving.

*Assumed tax rates:  
Capital gain – 20% federal, 5% state, 3.8% NIIT  
Ordinary income – 37% federal, 5% state*

## Including charitable giving in a business-exit strategy

As part of your clients' business planning, consider helping them gift a portion of their business or business interests to NCF within the context of their giving strategy. Then if, at a later date, employees, children, or a third party offer to purchase the gifted interest at fair market value, they could use the net proceeds in their Giving Fund to recommend grants to their favorite charities.

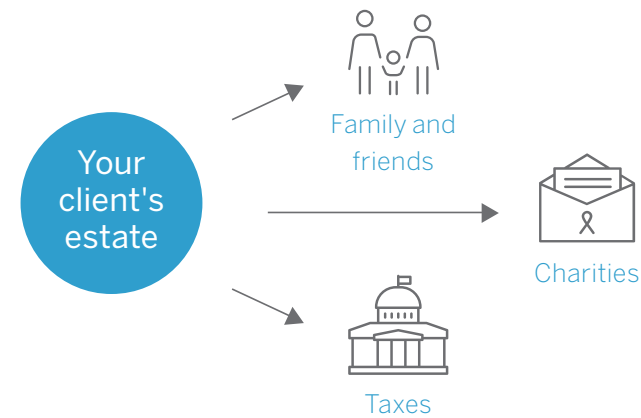


### BENEFITS OF GIVING BUSINESS INTERESTS

- Potentially qualify for a charitable deduction with the gifted business interest
- Maximize any potential liquidity event by preserving the value of the gifted asset for charitable impact
- If, at a later date, employees, children, or a third party decide to offer to purchase the gifted interest for fair market value, the proceeds are available in your clients' Giving Fund for them to recommend grants to their favorite charities and causes.
- Potentially eliminate or reduce capital gains taxes on the gifted portion, moving more dollars to charity
- Use charitable deductions reserved for non-cash assets (up to 30% of AGI usable against income for six years total, including the year of the gift)
- Potentially reduce current-year income taxes through a larger charitable deduction, increasing personal cash flow for more giving

## Charitable estate planning

Upon death, there are typically three places assets can go: family/friends, charity, or taxes. For families with exposure to the federal estate tax, thoughtful planning may significantly reduce or potentially eliminate the estate tax liability and enable them to expand their charitable impact.



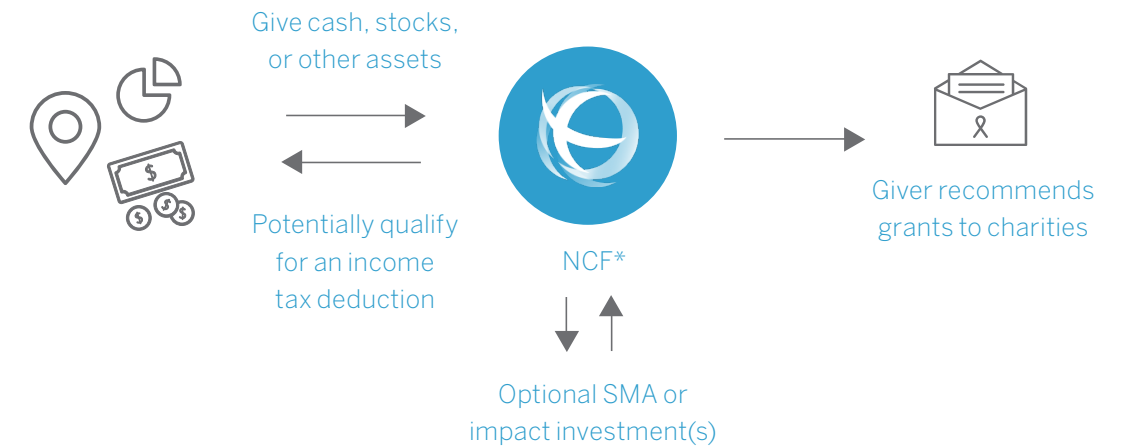
### MAXIMIZING GIVING

1. Estimate the income your clients need to be supported in their retirement: How much do they need to support their lifestyle for the remainder of their lifetime? What is their financial finish line?
2. Determine and quantify an appropriate inheritance for children and grandchildren: What amount of inheritance is more likely to be a blessing than a burden?
3. Use appropriate gift and estate-planning strategies and techniques: What approaches can you consider to help your client secure an appropriate inheritance and potentially reduce estate tax? What expertise can you bring in to help approach the unique needs of your client?
4. Gift or bequest "excess wealth" to charity and potentially eliminate or reduce taxes: After defining your client's inheritance plans, are there additional assets that your client has that can fulfill a need of a charity they are passionate about?

Why wait? Help your clients begin to shape their charitable legacy now and potentially minimize annual income taxes by making lifetime charitable gifts.

## Investment options at NCF

With a Giving Fund at NCF, your clients have the opportunity to select from a variety of options to invest charitable dollars with a potential for growth. Options include NCF's Faith-Driven Pools, Traditional Pools, and separately managed accounts (SMAs).



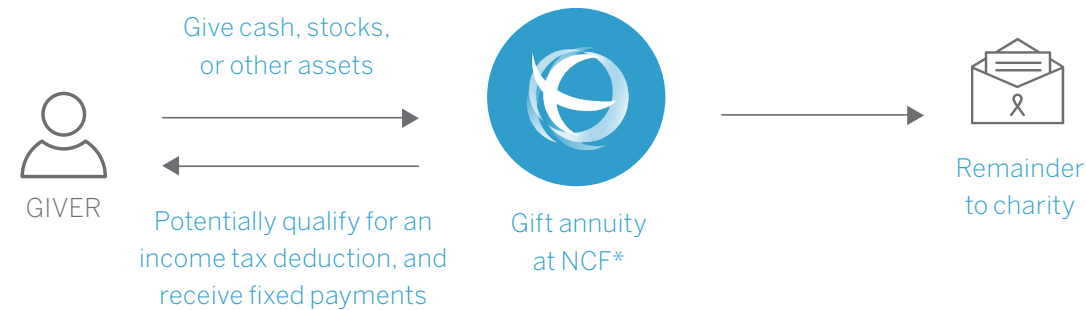
### THREE INVESTMENT OPTIONS

- **NCF's investment pools** – Your clients can choose from NCF's Faith-Driven or Traditional Pools that range from stable value with low risk of fluctuation in principal value to higher risk with substantial exposure to market fluctuations. Each pool is overseen by an SEC-registered fund manager vetted and approved by our investment committee.
- **Impact investing** – With impact investing at NCF, your clients can grow charitable dollars while making a spiritual impact, even before they recommend grants to charities.
- **SMAs** – If your clients prefer a more-customized approach to the management of the charitable dollars in their fund, they might consider a separately managed account (SMA), which is best suited for givers with long-term charitable giving horizons and a desire for an advisor to manage their fund's investments.

# Charitable gift annuities (CGAs)

Notes

A charitable gift annuity (CGA) is ideal for your clients who have a heart to give but desire a source of ongoing income. CGAs provide fixed payments for life at rates generally higher than certificates of deposit (CDs), and a portion of your clients' payments are often tax-free. They make the gift (part of which is tax-deductible), and then receive fixed annuity payments each year for the remainder of their life.



## BENEFITS

- Tax efficiency – Your clients may qualify for an immediate income tax deduction
- Multiple funding options – Your clients make a gift(s) to NCF to fund their CGA. They can give cash (checks), publicly traded securities, other assets, or, if they're 70½ or older, they can make a qualified charitable distribution (QCD) from an IRA
- Support for charities – Charities may receive grants immediately
- Regular payments – A CGA provides fixed payments for life with rates generally higher than CDs
- Christian – Enjoy engaging with an NCF team that shares your values
- Flexibility – Use a single CGA to benefit multiple charities

## FREQUENTLY ASKED QUESTIONS

### How much money is required to set up a CGA with NCF?

NCF offers CGAs beginning as low as \$10,000.

### At what age can a CGA be established?

Immediate payment CGAs are offered to those at least 50 years of age. Deferred payment CGAs may be established under age 50, with payments beginning at age 50. A CGA may be funded with a QCD once the giver is 70½.

### How much will your clients receive?

NCF uses the payout rates recommended by the American Council on Gift Annuities. The greater the age(s) when the CGA is established and the longer payments are deferred, the higher your clients' payout rate.



## Do your clients need a **Giving Strategy™**?

Giving is much more powerful with an intentional strategy. A Giving Strategy based on biblical principles can help your clients give with more kingdom impact, leave a meaningful legacy, cultivate family unity, and maximize what they have to give.

Explore how a Giving Strategy can help your clients in exciting new ways at [ncfgiving.com/givingstrategy](https://ncfgiving.com/givingstrategy)

## Join our **Inside Giving** webinar series for advisors

Each quarter, NCF's charitable giving team hosts a special webinar for professional advisors called Inside Giving.

In each one-hour webinar, you will have the opportunity to grow in your knowledge of non-cash giving, strengthen client relationships, and earn CFP® and CKA® credit. Certificates of completion are available upon request.

See upcoming webinars or register at [ncfgiving.com/insidegiving](https://ncfgiving.com/insidegiving)



# Growing generosity nationwide

Every day, from coast to coast, NCF's local teams help givers, advisors, charities, and churches discover innovative giving solutions to unlock more generosity for God's kingdom.

Connect with your NCF team today at [ncfgiving.com](http://ncfgiving.com) or 800.681.6223



## \$21 billion

in grants to charities since 1982

With hearts set on getting money to charities fast, the NCF community of givers has one of the highest grantmaking rates of all donor-advised fund providers.



## 350+

team members across the country

For decades, NCF's charitable giving teams have helped hundreds of advisors come alongside their clients to explore tax-efficient strategies for increased charitable giving.



## \$6 billion

in complex gifts received

With an experienced, in-house charitable giving team, we've received more than 3,000 complex gifts such as business interests and real estate.



## 90,000+

charities and churches supported

From youth ministry to homelessness, human trafficking to disaster relief ... the causes NCF givers support are as varied as the passions God has placed on their hearts.