

# GIVING OPTIONS

A guide to giving now and later for Presbyterian churches and ministries





Thank you for considering a gift to your church or a ministry that you love. We hope this guide provides helpful information for you as you decide how to best share the resources that God has entrusted to you.

This guide has a new format that we hope you will find helpful. You can choose in the opening pages if you want to give now, or give later, and find information relevant to each situation in the brochure.

If you prefer information presented in a compact way, you can turn to the last two pages for a chart with lots of options for charitable giving.

Please reach out to us if we can help you walk through decisions about giving. You can find your regional Ministry Relations Officer at [presbyterianfoundation.org/mro](https://presbyterianfoundation.org/mro). We're here to help!

## TABLE OF CONTENTS

<b>Giving Style Quiz</b> .....	3
<b>Giving Now</b> .....	5
Cash.....	5
Appreciated Securities.....	5
Donor Advised Fund.....	6
Qualified Charitable Distributions.....	6
Endowment Fund .....	7
Non-Liquid Assets .....	7
<b>Giving Later</b> .....	9
Life Estate .....	10
Bequests and Trusts .....	11
Charitable Trust .....	13
Life Insurance/ Retirement Plan Beneficiary .....	15
Pooled Income Fund .....	16
<b>Comparing Gifts Chart</b> .....	17

# QUIZ: WHAT'S YOUR GIVING STYLE?

Let us walk you through considering gifts for your church or a ministry that you love. Here are a few questions to prompt your thoughts.

*Pick the scenario that most closely aligns with your situation.*

## Scenario 1

**“I have assets that I am considering leaving to my church or a ministry.”**

*Pick the option that most closely matches your situation:*

- Option A:** I am blessed with resources that I would like to give to my church or a ministry. I can do that relatively easily, and I want to do that now.
- Option B:** I am blessed with resources, but they are complex and I cannot sell them easily.
- Option C:** I am blessed with resources, but I cannot give them now. I want to give them later as part of my estate.

### Option A

This is wonderful news for your church or a ministry you love. They will be blessed by your gift, and you'll be here to see it put to great use, bringing you joy for years to come.

[Turn to page 5 for giving options >](#)

### Option B

It is great that you want to bless your church or ministry with your resources. If your assets are more complex and require significant time to sell or liquidate, we may be able to assist you with a complex gift.

[Turn to page 7 for giving options >](#)

### Option C

Your church or ministry will be honored to receive your gift upon your passing. While we always recommend an attorney assist you with preparing your estate documents, we can talk to you about giving options that may suit you. It is best to involve an attorney in writing your estate documents or revising existing documents, and informing your family and the beneficiary of your wishes.

[Turn to page 9 for giving options >](#)



## Scenario 2

**“I have assets but I am concerned that I won't have enough to cover my expenses as I age.”**

Have you considered leaving a portion of your estate to your church or ministry? With this option, you can pay for your own needs, and whatever is left, a portion will go to the church or ministry of your choosing. This is also a way to leave some funds in your estate for your church but also ensure that your family receives an inheritance if there are funds or assets left at the end of your life.

There are many ways you can set up gifts for your church that also take care of your family's future. Continue reading this booklet for more information.

[Like charts? Flip to page 15](#)

Need more information?

- [Giving Now](#) section begins on page 5
- [Giving Later](#) section begins on page 9

*For help with any of these giving options, please reach out to your regional Ministry Relations Officer. You can find yours at [presbyterianfoundation.org/mro](https://presbyterianfoundation.org/mro).*

## Scenario 3

**“I have assets but I'm unsure if I want to leave them to my church or a ministry.”**

These decisions are often complex, and it is understandable that you need time to consider what you would like to do. Planning your gifts is a gift itself to your family, and to yourself, as it can help ease anxiety for the future. We would encourage you to make these decisions soon.

Please read through this booklet for ideas and suggestions that may help you discern what God is calling you to do.

# GIVING NOW

## Cash

Giving cash is the simplest way to bless a ministry and those it serves with the resources God has entrusted to you. If you are giving a substantial amount, we would encourage you to consider giving by ACH (electronic transfer), which is the most secure way to send funds. If you are giving by personal check, we would advise you to take it to the church in person, rather than dropping a check in the mail. Your church will be delighted to receive your gift!

## Appreciated Securities

Donating appreciated securities (such as stocks, bonds, and mutual funds) to your church can allow you to avoid capital gains taxes. In addition, the full fair market value of the securities at the time of the donation may be eligible for a charitable income tax deduction, further enhancing the financial benefits of your generosity. By leveraging appreciated securities, you can steward the resources entrusted to you in a manner that reflects your values, creates lasting impact, and provides potential financial advantages for yourself and your heirs.



## Donor Advised Fund

For ease of charitable giving, you can place all of the funds you want to give to charity, including your church, in a donor advised fund. Any funds still remaining in your DAF after you pass away will be given to your heirs, but the funds MUST be spent for charitable purposes. Be sure you discuss your intentions with your attorneys, executor, and family to avoid confusion.

**Assets accepted:** Checks, wire transfers, securities, non-liquid assets.

**Investment management:** Donor recommends from multiple investment options.

**Tax consideration:** May result in state or federal tax deduction.

**When it can be disbursed:** Immediately after placement in the fund.

**Number of beneficiaries:** Unlimited.

**Minimum initial contribution:** \$2,500 for the DAF offered by the Presbyterian Foundation.



## Qualified Charitable Distributions from your IRA

Presbyterians can support their churches and favorite ministries with a gift from their IRA (if they meet the qualifications).

- Qualified charitable distributions from Individual Retirement Accounts may offer tax advantages.
- Donors must be 70 1/2 or older to qualify.

Advantages:

- The donation can satisfy required minimum distribution in the year the qualified charitable donation is made.
- The donation amount is not included in the donor's adjusted gross income, helping to potentially avoid increased taxes on Social Security income, higher Medicare premiums, and the loss of deductions/exemptions.
- Giving in this way provides donors that use the standard deduction a tax break for the contribution.

*Note: Direct gifts from IRAs to donor advised funds do not qualify for treatment as a qualified charitable distribution (QCD).*

## GIVING NOW

### Endowment Fund

Your gift to an existing endowment fund or to establish a new endowment fund will ensure that your church or ministry is receiving gifts now and into perpetuity. If you regularly make a large pledge or gift to your church annually, you can establish an endowment that will ensure that gift continues on forever.

**Assets accepted:** Checks, wire transfers, securities, non-liquid assets.

**Investment management:** Presbyterian Foundation invests in appropriate long-term vehicle.

**Tax consideration:** May result in a federal tax deduction.

**When can it be disbursed?** Funds are held for 1 year, and then earnings are disbursed to the beneficiary quarterly.

**Number of beneficiaries:** One.

**Option to change:** No.

**Key advantages:**

- Additions can be made by anyone at any time.
- Pays beneficiary in perpetuity.
- Immediate and ongoing support.

**Can my family continue to use this as a charitable vehicle after I'm gone?** They can make additions.

**Minimum to start:** \$25,000.

### Non-Liquid Assets

Non-liquid assets are valuable assets that can't be sold or disposed of quickly. This can include real estate, business interests, restricted securities, and personal property. Your own home is often the largest asset that you have, and by the time many people are planning their estates, they have no debt on their home. You may also have a condo or vacation home that has appreciated in value. You may want to sell your second home and give the funds to a church or ministry.

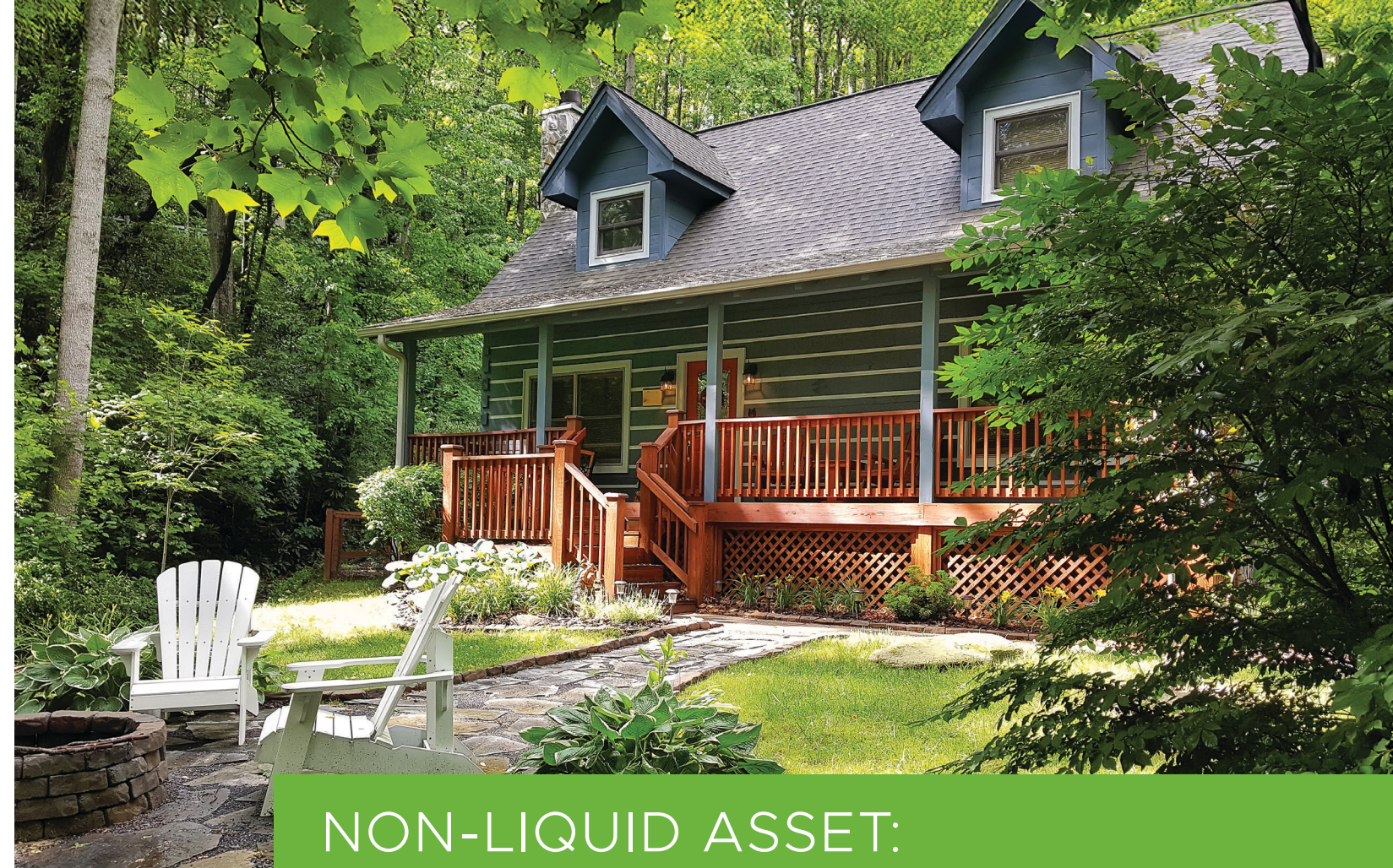
Other assets such as business interests and restricted securities are more complicated and will need the advice of professional advisors (often attorneys) to find the best way to sell or dispose of those assets to create capital to give to a church or ministry. While these processes are not easy, donating such assets during your lifetime can be helpful to your family, and you will have the joy of seeing these gifts received and appreciated.

**Tax considerations**

- May result in capital gains being reduced or eliminated.
- May result in tax deduction for the fair market value of the asset.
- Donating assets will usually provide greater tax deduction than if assets are sold, taxes paid, and then proceeds donated.

**These assets can establish:**

- Donor advised fund
- Endowment fund
- Charitable trust



## NON-LIQUID ASSET: SECOND HOME

Denise is a widow who owns two homes, her primary residence and a vacation home that she no longer enjoys visiting. It has become a burden to maintain two homes. She has no debt on the vacation home and has owned it for a decade.

Denise has the following options if she wishes to benefit her church by selling her second home:

- Denise can sell the home outright, and give the cash from the sale directly to her church. She may pay some taxes on the gains from the vacation home, as it has appreciated in value since she purchased it.
- Denise can sell the home outright, and place the proceeds in a Donor Advised Fund, giving funds to her church and other charities she loves in a simplified way.
- Denise can decide to keep the home and allow her children to use and maintain it, and place the home in a Charitable Trust for the benefit of her church. She may be able to realize an immediate tax deduction, and the church will eventually receive the funds in the trust after Denise passes.

Denise works with her family attorney and a real estate professional to reach her decision. She informs her family of her choice, and has peace of mind that she has made an impact with her generosity and no longer worries about the burden of a second home.



## GIVING LATER

Many people choose to give through their estates as a way to express their gratitude for all they have been given by God, returning resources to God through a gift to their church or a ministry. The gifts that are made through a will or estate are often the largest gifts we will ever give, mainly because we are still using these assets until we ascend to the church triumphant.

Some of the options in the Giving Now section can be funded by an estate, such as a Donor Advised Fund or Endowment Fund. Others will be given after your death. In this section, we will cover just those options for giving after your death.

### Life Estate

A life estate is a legal arrangement in which an individual, known as the life tenant, is granted the right to possess, use, and benefit from a property for the duration of their life. Upon the life tenant's death, ownership of the property automatically passes to a designated remainder beneficiary, such as a charitable organization, without the need for probate. The life tenant typically maintains responsibility for property taxes, maintenance, and insurance during their lifetime, while the remainder beneficiary holds a future interest in the property.

Establishing a life estate offers significant advantages to the donor. By transferring a property to a charitable organization while retaining a life estate, the donor ensures continued use of the property for as long as they live. This arrangement provides peace of mind and security, allowing the donor to age in place or continue enjoying a cherished home. At the same time, the donor may receive an

immediate charitable income tax deduction based on the present value of the charitable remainder interest, as determined by IRS guidelines.

Additionally, the property is removed from the donor's taxable estate, potentially reducing estate taxes for heirs. Overall, a life estate enables donors to make a meaningful future gift to a church or ministry, express gratitude for their resources, and benefit from favorable tax treatment, all while retaining the right to use their property throughout their lifetime.



## GIVING LATER

### Bequests and Trusts

This is the most common way that people leave a gift for a church or ministry that they love. Well done, good and faithful servant.

Many people are concerned about leaving a legacy gift as well as ensuring that the needs of their family are met. You can absolutely do both. One option that may help ease any concerns about meeting both needs is to leave a portion of your estate to your church or ministry.

This ensures that as your need for funding increases as you age, you still are able to leave a gift to the church or ministry that you love.

**Assets accepted:** Checks, wire transfers, securities, non-liquid assets, IRAs, and life insurance.

**Tax considerations:** May minimize estate tax and qualify for federal tax deduction.

**A bequest can establish:** Donor advised fund, endowment fund, or pooled income fund.

**Minimum:** None.

### Bequest Example

Now in their 70s, Tracy and Pat recently met with their attorney and discussed leaving a gift to their church. They have both worked hard and saved well for retirement. They believe they have enough saved to handle any expenses they may encounter. They decided to leave 20% of their estate to their church, rather than a set dollar amount, so their church will receive a gift even if they spend more than anticipated in their later years.

This will allow them to spend what is needed on their own care as they age, and support their children and grandchildren with an inheritance. It also allows them to leave a significant gift to their congregation to express their gratitude to God for all the ways their lives have been blessed.



## GIVING LATER

### Charitable Trust

A charitable trust is a legal arrangement in which a donor (the “settlor”) transfers assets—such as cash, securities, or property—into a trust, managed by a trustee, for the specified benefit of one or more charitable organizations or purposes. The trust is created under state law and must have a clear charitable intent and purpose that aligns with public benefit, such as advancing education, religion, or alleviating poverty. The trustee holds and administers the trust assets in accordance with the terms set out by the settlor, and in compliance with relevant statutes and regulations. Charitable trusts may take several forms, including charitable remainder trusts (CRT) and charitable lead trusts (CLT), each with distinct structures and distribution rules.

There are significant potential benefits for the donor, which are outlined below. Please check with your own attorney before creating a charitable trust to ensure this will work well for your situation.

#### Immediate Charitable Deduction:

Donors may receive an income tax deduction based on the present value of the interest ultimately passing to charity, as determined by IRS guidelines and applicable rate tables.

#### Potential Reduction of Capital Gains Tax:

When appreciated assets are donated to a charitable trust, donors may avoid or defer capital gains taxes that would be incurred if those assets were sold outright.

#### Estate Tax Benefits:

Assets transferred to the trust are generally removed from the donor’s taxable estate, which can reduce estate taxes for heirs.

#### Income Stream for Donor or Others:

Depending on the trust type, donors or designated beneficiaries may receive income payments for life or a term of years, after which the remaining assets are distributed to the chosen charity.

#### Flexibility and Control:

Charitable trusts often allow donors to tailor the terms, such as designating charitable beneficiaries, specifying income recipients, and, in some cases, retaining the option to modify beneficiaries subject to agreement.

#### Legacy and Impact:

Donors can support causes they care about, creating a lasting philanthropic legacy and ensuring their resources serve the greater good.

A Charitable Trust thus combines legal structure with philanthropic vision, enabling donors to achieve both personal financial objectives and meaningful contribution to society. The Presbyterian Foundation’s subsidiary, New Covenant Trust Company, can establish a Charitable Trust for you.

**Assets accepted:** Checks, wire transfers, securities, most non-liquid assets.

**Invested:** New Covenant Trust Company (a subsidiary of the Foundation) invests in appropriate vehicles.

**When gift is disbursed:** After trust terminates.

**Number of beneficiaries:** Unlimited.

**Option to change:** Yes, based on agreement.

**Can my family be involved in the future?**

Yes, if the trust names a donor advised fund to receive the remainder.

**Minimum initial contribution:** \$100,000.



## GIVING LATER



### Life Insurance or Retirement Plan Beneficiary

Did you know you can name a church or ministry as the beneficiary of a life insurance policy or retirement plan account – or even a portion? This is one of the easiest ways to leave funds to an organization you love, and you can change it anytime.

You can request a change of beneficiary form from your life insurance company or your retirement plan, and in the beneficiary section, indicate that you'd like for the proceeds (or a portion of proceeds) to be given to your church. Make sure the form is properly submitted, and confirm with the company that holds the policies or benefits that they have received it and the information is updated.

### Life Insurance Proceeds

Joseph is married with three children. He has a term life insurance policy that will cover his family's expenses should he pass away before he retires. Joseph and his spouse feel confident that their family has enough savings and life insurance.

Joseph has a life insurance policy through his work that is separate from the term policy. This policy is provided free of charge by his workplace, and will pay out regardless of whether his death is work-related or not. He has decided to change the beneficiary on this policy so that his church will receive the proceeds from this policy if he passes away while employed. The change was simple and easy to make. He has informed his place of employment and his family of this change.

### Pooled Income Fund

Pooled income funds are trusts that pool together gifts from many donors, and pay an annual dividend to the donors or someone designated by the donor. Donors, or those chosen by donors, receive a proportional share of the trust's income each quarter. After the income recipient dies, whatever funds are left in the trust are given to the designated Presbyterian church or mission entity selected by the donor.

Income varies quarterly with the trust's investment performance. Pooled Income Fund "Alpha" seeks to provide high current income, conserving nominal principal. Pooled Income Fund "Omega" seeks to provide a reasonable long-term growth of principal and income.

**Assets Accepted:** Checks, wire transfers, securities—must be long-term holdings; no tax exempt securities

**Investment management:** Foundation invests in appropriate long-term vehicle.

**Tax considerations:**

- May result in an income and/or estate and gift tax deduction.
- May avoid capital gains.
- Income payments fully taxable.

**When gift is disbursed:** After income interest terminates.

**Beneficiary:** One, which can be a direct payout to the church or ministry, establishment of an endowment with a single beneficiary; the sole distribution can also be to create a Donor Advised Fund, and DAFs can have many beneficiaries.

**Can I change my mind?**

No. The decision to place the assets in a Pooled Income Fund is permanent.

**What are the benefits?**

- Income for life of one, two, or more people.
- Simplicity of participating in an existing trust.
- Residual value of gift supports your church or chosen mission organization.
- Potential tax savings from income tax deduction allowed, capital gain avoided, and estate deduction.

**Minimum:** \$10,000 to establish, and \$2,000 for additions.

# COMPARING CHARITABLE GIFT OPTIONS

	Donor Advised Fund	Charitable Trust	Endowment Fund	Charitable Bequest or Beneficiary Designation			Pooled Income Fund	Non-Liquid Assets		
<b>Assets Accepted</b>	Checks, wire transfers, securities, non-liquid assets	Checks, wire transfers, securities, non-liquid assets	Checks, wire transfers, securities, non-liquid assets	Checks, wire transfers, securities, non-liquid assets, IRAs, and life insurance			Checks, wire transfers, securities — must be long-term holdings; no tax exempt securities	Real estate, business interests, restricted securities, life insurance policies, personal property		
<b>Investment Management</b>	Donor recommends from multiple investment options	New Covenant Trust Company Invests in appropriate vehicles	Foundation invests in appropriate long-term vehicle	N/A			Foundation invests in appropriate long-term vehicles	N/A		
<b>Tax Consideration</b>	May result in a state or federal tax deduction	<ul style="list-style-type: none"> <li>Income tax deduction based on IRS designation rate table and payout structure</li> <li>May avoid or defer capital gains tax</li> <li>Tiered tax on income payments</li> </ul>	May result in a federal tax deduction	May minimize estate tax & qualify for federal tax deduction			<ul style="list-style-type: none"> <li>May result in an income and/or estate and gift tax deduction</li> <li>May avoid capital gains</li> <li>Income payments fully taxable</li> </ul>	<ul style="list-style-type: none"> <li>May result in capital gains being reduced or eliminated</li> <li>May result in tax deduction for the fair-market value of the asset</li> </ul>		
<b>Charitable Beneficiaries</b>				<i>A bequest can establish:</i>				<i>These assets establish:</i>		
				Donor Advised Fund	Endowment Fund	Pooled Income Fund		Donor Advised Fund	Endowment Fund	Charitable Trust
<b>Receive Support</b>	Now	After trust terminates	Now and for generations to come	Now	Now & Future	Future	After Income interest terminates	Now	Now & Future	Future
<b># of Beneficiaries</b>	Unlimited	Unlimited	One — Income only will be distributed	Multiple	One, but may establish multiple funds	One	One — direct payout, endowment or DAF creation	Multiple	One, but may establish multiple funds	One
<b>Option to Change</b>	Yes	Yes, based on agreement	No	Yes		No	No	Yes		No
<b>Key Advantages</b>	<ul style="list-style-type: none"> <li>Single fund, multiple beneficiaries</li> <li>Recommend grants at any time</li> <li>Can make changes at any time</li> <li>Easy to manage &amp; track giving</li> <li>Can make grant recommendations to any 501(c)3</li> </ul>	<ul style="list-style-type: none"> <li>Provides fixed or variable payment to one or more individuals</li> <li>Remaining principal of trust can establish endowment or Donor Advised Fund</li> <li>Can make additions to Charitable Unitrust</li> </ul>	<ul style="list-style-type: none"> <li>Additions can be made by anyone at any time</li> <li>Pays beneficiary in perpetuity</li> <li>Immediate &amp; ongoing support</li> </ul>	<ul style="list-style-type: none"> <li>Can establish various types of funds</li> <li>Leave a legacy of Christian faith &amp; stewardship</li> <li>Can change bequest at any time</li> </ul>			<ul style="list-style-type: none"> <li>Provides variable payments to one or more individuals</li> <li>Choice of greater income to individuals or reasonable long-term growth of principal/gift to charity</li> <li>Security of gift to charity—only net income is paid to individuals</li> <li>Can make additions at any time (\$2,000 minimum)</li> </ul>	Donating assets will usually provide greater tax deduction than if assets are sold, taxes paid, then proceeds donated		
<b>Future Family</b>	Yes, involve family in grant-making decisions	Yes, if Trust names a Donor Advised Fund to receive remainder	Additions can be made by family members	Yes, if a Donor Advised Fund is named to receive gift			Yes, if fund names a Donor Advised Fund to receive remainder.	Yes, if assets establish a Donor Advised Fund		
<b>Minimum Initial Contribution</b>	\$2,500	\$100,000	\$25,000	No minimum			\$10,000	Case specific		



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