National Christian FOUNDATION® Heartland

GIVE STOCK, SAVE TAXES, GIVE MORE

Maximize Kingdom impact by giving appreciated securities instead of writing checks

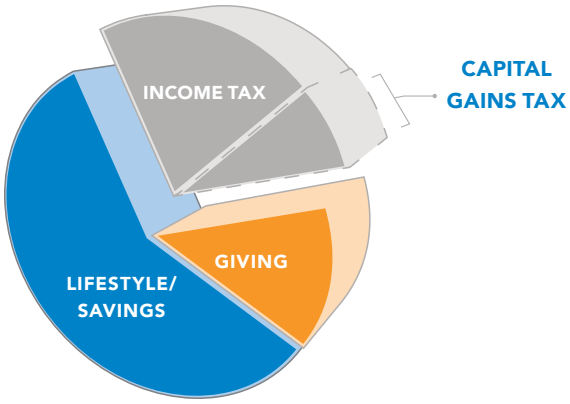
If you are currently writing checks to your local church and various ministries, but also have appreciated stocks or mutual funds in a taxable investment portfolio, you likely have a significant opportunity to pay less tax, give more, improve your personal cash flow, and simplify your giving.

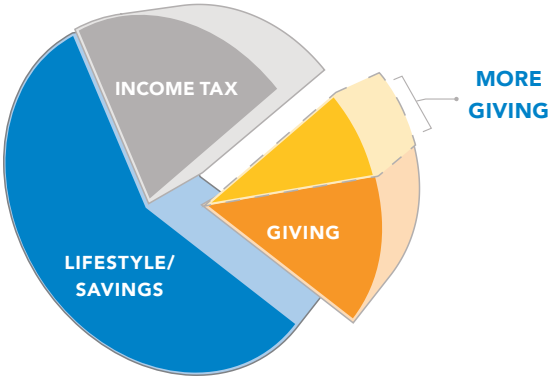
TRADITIONAL GIVING USING CHECKS

1. Start with $10,000 in cash
2. Write checks to ministries for $10,000
3. Receive a $10,000 charitable deduction
4. Keep track of every tax receipt manually
5. Continue to pay capital gains tax in your portfolio (now or later)

MORE GIVING USING STOCK

1. Donate $10,000 of stock into your Giving Fund
2. Receive a $10,000 charitable deduction
3. Shares are sold by NCF tax-free, with proceeds placed in your Giving Fund
4. Re-fund your portfolio using $10,000 cash (reset basis!)
5. Use tax savings to give more!





IMPACT OF A NEW APPROACH

Multiply Your Impact

- **Less tax** – You eliminate capital gain tax on the donated stock ($1,250 saved assuming $5k cost basis with 25% tax)
- **More giving** – You increase your giving capacity by eliminating current or future tax exposure
- **Reset your cost basis** – Still like the stock? Use your cash to repurchase the same stock or mutual fund
- **Tax-free rebalancing** – Your investment advisor can rebalance your portfolio with no tax consequences
- **Improved personal cash flow** – Using tax savings to give more increases your charitable deduction
- **Tax-free growth** – Gifts invested inside your Giving Fund can grow tax-free

Simplify Your Giving

- **Deduct now, grant later** – Receive a deduction this year while granting over time, if desired
- **Leverage your time** – One stock gift can be easily used to support multiple ministries
- **Eliminate the hassle** – Consolidate tax receipting under one charity (NCF) and manage all your giving online

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HOW TO SIMPLIFY AND MULTIPLY YOUR GIVING WITH PUBLICLY TRADED SECURITIES

1. **Stop writing checks to charity using post-tax dollars**
   By planning your regular giving and using appreciated assets, you increase your giving capacity by trading current or future tax exposure for more charity today. If you have any appreciated assets in your investment portfolio, but are still writing checks for some or all of your giving, you have an opportunity to give more.
2. **Send checks to your investment portfolio instead (reset your cost basis and enjoy tax-free rebalancing!)**
   Instead of writing checks to charity, send the cash to your investment portfolio. Then, if you still like the stock you donated, simply repurchase it immediately, which raises your cost basis and lowers future tax exposure.
3. **Set a goal and communicate it to your advisor**
   Don't assume your advisor or advisory team knows your charitable intent, just because they're managing your portfolio. Share your regular giving goals with them, and ask them to select the best assets to donate.
4. **Give your winners; sell your losers**
   Direct your advisor to donate appreciated stocks, ETF's, or mutual funds held at least one year into your Giving Fund every 6-12 months (or whenever they rebalance your portfolio). This eliminates capital gains taxes, resets your cost basis if you decide to repurchase the stock, and allows tax-savvy stewardship across all market cycles.
5. **Receive an income tax deduction**
   Because NCF is a public charity, you receive a deduction when you donate shares (up to 30% AGI).
6. **Give more to your favorite charities**
   Use the tax savings to give even more to your favorite charities. This also reduces current-year income taxes via a larger deduction, resulting in increased cash flow.

THE RESULTS OF GIVING STOCK VS. WRITING CHECKS

	Give $50k Cash	Give $50k Stock	Comments
Capital Gains Tax (from investments)	($7,500)	$0	Depicts selling a $50k position with $20k cost basis taxed at 25% (20% fed + 5% state) vs donating instead
Gift to Charity	$50,000	$57,500	Give extra $7,500 in cash instead of paying capital gains tax
Income Taxes Saved	$22,300	$25,645	Gift to charity x 44.6% income tax (39.6% federal + 5% state)
Net Tax Benefit	$14,800	$25,645	Capital gains tax paid + income taxes saved via deduction

Note: Cash giving scenario assumes periodic rebalancing or eventual sale of assets in a taxable investment portfolio. Consult with your financial advisor and/or tax advisor to analyze your particular situation before proceeding.

MULTIPLY YOUR GIVING 1 Select a stock 2 Send a request 3 Give the proceeds!

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