

Charitable Giving Guide

Financial contributions are vital to the ongoing health and vitality of North Shore Congregational Church

(NSCC). Donations to NSCC support our mission and vision, including by supporting our church ministry, education, fellowship and benevolence activities.

The Stewardship Board of NSCC primarily interacts with the congregation each year as we solicit estimates of giving, or EOGs, for the church's annual operating fund. The Stewardship Board can also help you make contributions to NSCC outside the ordinary course EOG process.

This Guide explains different assets you can contribute and different approaches that can be used to contribute the assets. The assets and approaches in this Guide are not the only ways you can give. If you have other ideas not covered below, please reach out to the Stewardship Board. We would be happy to work with you!



ASSETS YOU CAN LEAVE NSCC

Gifts of Cash

A gift of cash is the easiest and most direct way to contribute to NSCC. You may designate your gift for a specific purpose or allow NSCC to use the gift for the greatest need at the time. A gift of cash during your lifetime allows you to receive an income tax charitable deduction subject to annual deduction limitations. The gift of cash also removes that amount from your estate for estate tax purposes.

Gifts of Appreciated Securities

A gift of appreciated securities that you have owned for more than one year provides a greater tax benefit than cash. You have a double benefit because you receive an income tax charitable deduction for the fair market value of the security and you avoid taxation on any capital gain of the security. Be sure to plan ahead if you anticipate making a gift of appreciated securities. You need time to complete the transfer to NSCC prior to year end.

Gifts of Life Insurance

If you have a policy you no longer need for support of your family or business, you can transfer ownership of your life insurance policy to NSCC and receive a charitable deduction for the policy value. If premiums still need to be paid on the policy, normally you will donate the premium amount every year to NSCC. You will receive a charitable deduction for any premiums you pay after the donation.

Gifts of Retirement Assets

With respect to **lifetime gifts** and if you are age 70-1/2 or older, you can contribute up to \$100,000 from your IRA directly to a charity and avoid paying income taxes on the distribution. This is called a "qualified charitable distribution." The donation must be made directly from your IRA custodian to your charity. Although you do not receive a charitable income tax deduction for this donation, you avoid income tax on the amount donated to the charity. This donation can fulfill part or all of your required minimum distribution requirement. If you withdraw the proceeds and personally make the distribution to NSCC, you will be taxed on the distribution to yourself. It is better to have a direct custodian-to-charity distribution if you plan to make this type of charitable gift.

As to **transfers on death**, you can also name NSCC as the beneficiary of part or all of your retirement assets on your passing. The retirement assets donated to a charity will minimize the amount of income taxes imposed on individual beneficiaries. You will receive an estate tax charitable deduction.

***Note:** Charitable giving can involve complex considerations, and this Charitable Giving Guide is not intended to be legal or tax advice. NSCC and the Stewardship Board recommend that you consult your own financial, legal or tax advisors before making a large gift outside the ordinary course.*

TWO WAYS TO MAKE A GIFT AND RECEIVE INCOME FOR LIFE

Gifts in Trust

In its simplest terms, a trust is an arrangement under which an individual transfers legal title to property to a trustee who manages that property for the benefit of the individual(s) and/or organization(s) specified in the agreement. Trusts that make lifetime payments to beneficiaries and then ultimately benefit charities are known as charitable trusts. They generate a charitable deduction and avoid taxation of capital gain when appreciated property is contributed.

Gift Annuities

A gift annuity is a very simple and popular charitable lifetime income arrangement for donors. It does not require the creation of a trust agreement, and amounts needed to fund a gift annuity have a lower threshold than the charitable trust. A gift annuity is a contract between the donor and a charity. The donor will receive fixed payments for lifetime. Upon the donor's death, the balance will belong to the charity.

ENDOWMENTS AND THE REV. KARL D. SCHIMPF FUND

Some donors prefer to contribute a principal amount that generally cannot be disturbed (or only a small amount of which can be used each year), but that

can grow and produce earnings that can be used by NSCC in the future. This can be accomplished through the creation of an endowment or by a contribution to one of our Karl Schimpf Funds, which are similar to endowments in practice, even though there are important legal differences.

Endowment Funds

NSCC currently has no true endowment funds of its own. However, you can create a private endowment fund for the benefit of NSCC. There are organizations that will set up and manage such an endowment fund for a fee, and the Stewardship Board can introduce you to, and coordinate with, such organizations. For instance, the National Association of Congregational Christian Churches has a program for managing endowment funds for member churches. Your financial institution may also provide this service. Different organizations and institutions will have different minimum account sizes and fees.

There are many different types of endowments you can establish with your gift. An unrestricted endowment can be used in any way NSCC chooses to carry out its mission.

- Term endowment funds stipulate that all or part of the principal may be expended only after the expiration of a stated period of time or occurrence of a specified event, depending on donor wishes.

- Restricted endowments ensure that the original principal is held in perpetuity and that the earnings from this original principal are allocated according to your requirements.

The Rev. Karl D. Schimpf Fund

The Rev. Karl D. Schimpf Memorial and Special Gifts Fund is not technically an endowment fund, although it serves a similar purpose and is generally treated as if it is an endowment fund by NSCC. The Rev. Karl D. Schimpf Fund is intended to provide a vehicle for members and friends to make a lasting contribution to the support and maintenance of the church, for its outreach programs and for its youth programs.

To facilitate this purpose, the Rev. Karl D. Schimpf Fund is divided into three sub-Funds:

- The **Meetinghouse Fund** is used for extraordinary repairs and improvements to church property.
- The **Mission Fund** is used for extraordinary outreach ministry projects.
- The new **Youth Programming Fund**, which is not currently funded, is intended for youth and inter-generational programming.

Note: NSCC reserves the right to reject gifts in certain circumstances. Please see NSCC's Gift Policies for details.