

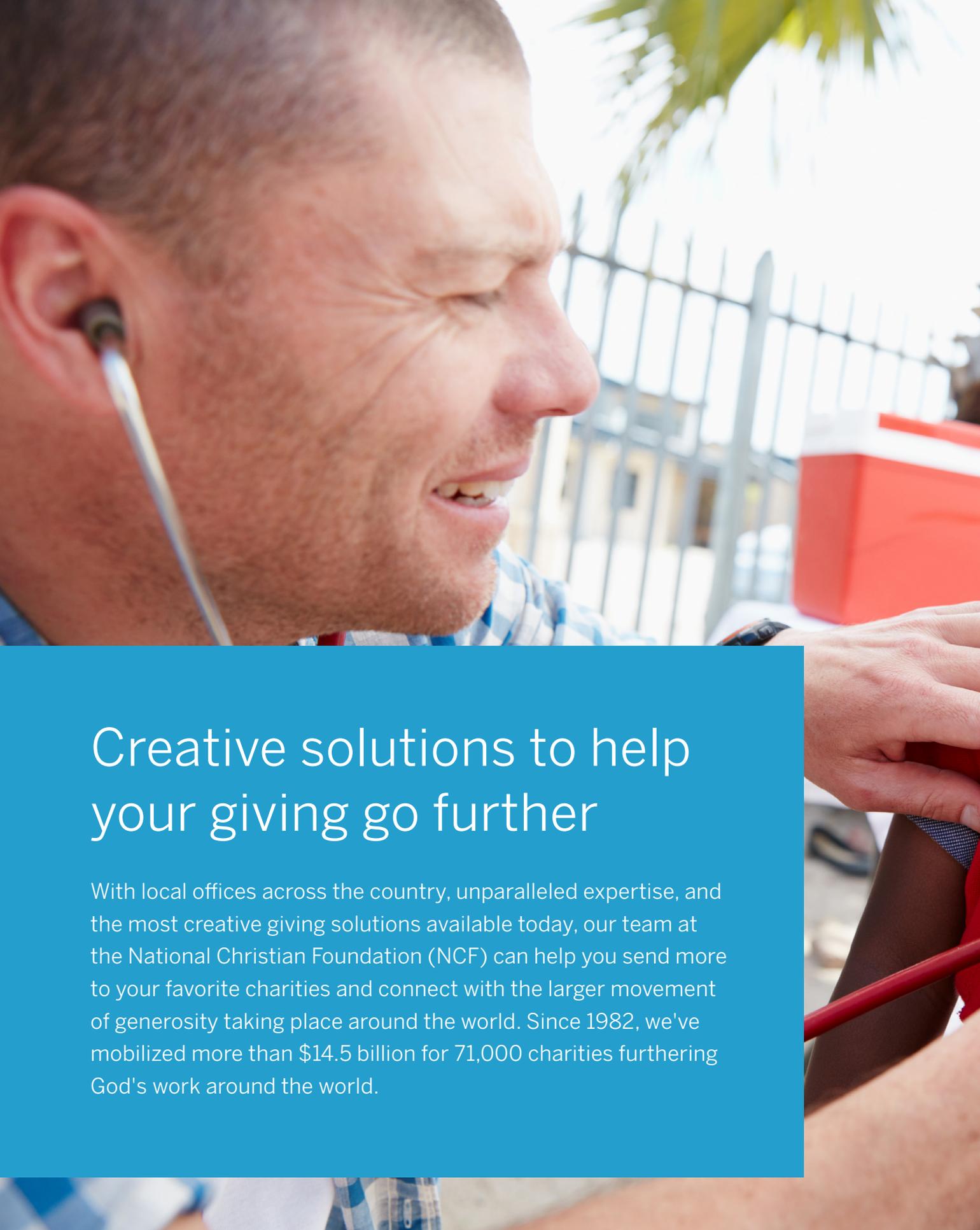
INNOVATION AND EXPERTISE

2022 Charitable Giving Opportunities

Solutions and strategies to help you send more to the causes you love



National Christian
FOUNDATION®



Creative solutions to help your giving go further

With local offices across the country, unparalleled expertise, and the most creative giving solutions available today, our team at the National Christian Foundation (NCF) can help you send more to your favorite charities and connect with the larger movement of generosity taking place around the world. Since 1982, we've mobilized more than \$14.5 billion for 71,000 charities furthering God's work around the world.



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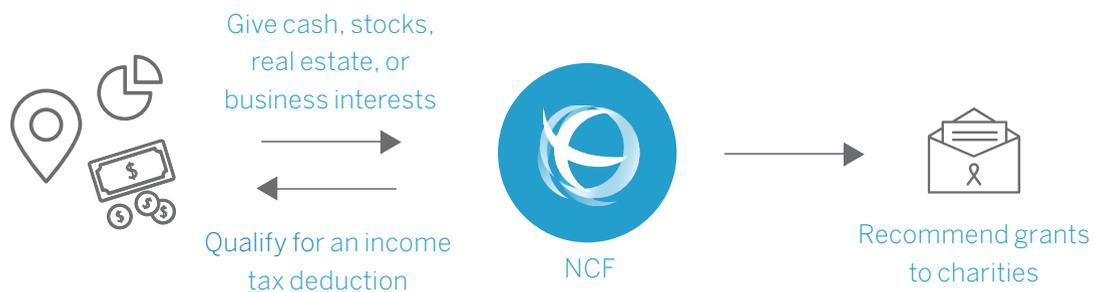
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** Non-cash gifts may be made to one
or more of NCF's related entities.*

Open a donor-advised fund

A Giving Fund at NCF, also known as a donor-advised fund (DAF), works like a charitable checking account. But instead of depositing money and writing checks, you can contribute all types of assets to NCF (such as cash, stocks, and complex, non-cash assets), qualify for an income tax deduction at the time of the donation, and then go online to recommend grants to your favorite charities.



POWERFUL BENEFITS, SHARED VALUES

- Simple: Reduce paperwork, receipts, and administration
- Efficient: Spend less in taxes and send more to charity
- Convenient: Manage all giving online from any device
- Christian: Enjoy service from a team with shared values
- Reliable: Our team ensures completed grants meet IRS standards
- Fun: Enjoy giving with your entire family



Cash giving with potential tax savings

There are many scenarios where giving cash may be the right decision for you. Here are some opportunities to consider:

For non-itemizers: Bunching charitable contributions

- Every other year, give more than the standard deduction, and consider using a donor-advised fund (DAF)
- Use a DAF to secure an immediate charitable deduction, and then grant distributions to charities over time

Maximizing your charitable deduction: Cash giving

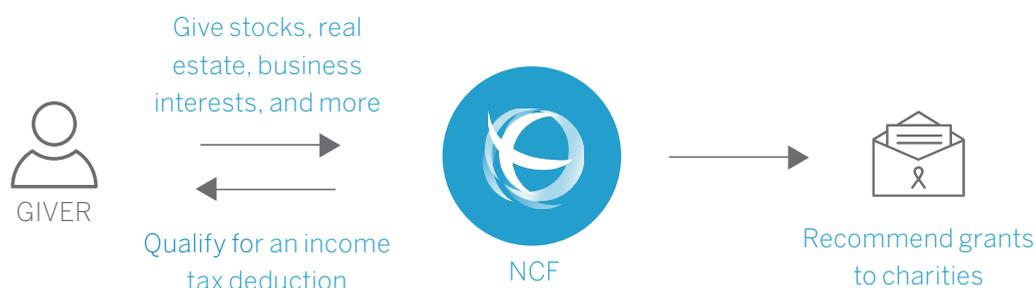
- You can deduct up to 60% of your AGI (adjusted gross income) when you give cash only
- If you make a non-cash gift that is limited to 30% of AGI, you can maximize your allowable charitable deduction by pairing it with a cash gift that, when combined, is equal to 50% of AGI

Make Qualified Charitable Distributions (QCDs) from IRAs

- Make QCDs directly to charity
- Limitations:
 - Must be 70 ½ or older
 - Limited to \$100,000 per year
 - Can only be made to a public charity (no DAFs, CRTs, or CGAs)
- Distributions to a Single-Charity Fund at NCF qualify as a QCD

The power of non-cash giving

You probably dream of giving significantly more to the charities you love, but often that seems out of reach. With non-cash giving at NCF, it's possible. You transfer appreciated assets to us before you decide to sell those assets. This potentially reduces or eliminates capital gains taxes and unleashes more for charity. The net proceeds go to your Giving Fund, which you can use to go online to recommend more to the causes you love.



BENEFITS TO YOU

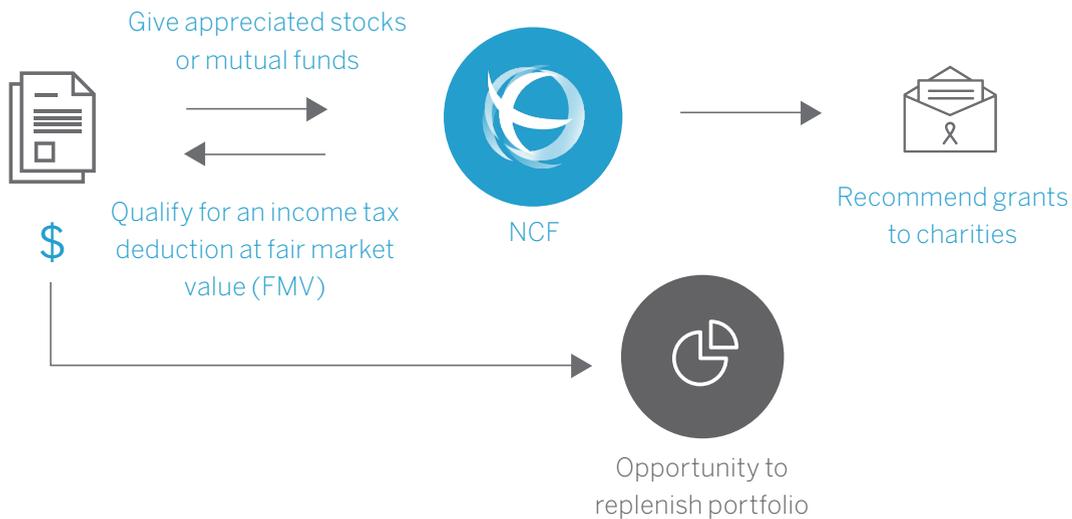
- Greater tax deductions: Typically, you receive a tax deduction for the fair market value of your gift
- More to charity: The capital gains taxes potentially saved means more would be available for granting to your favorite charities and causes
- Customized guidance: Over four decades, our team of charitable professionals has helped givers like you donate 2,700+ non-cash assets worth more than \$4.5 billion

ASSETS YOU CAN GIVE

- Appreciated securities: Stocks, bonds, mutual funds
- Business interests: Ownership in closely-held businesses
- Real estate: Commercial, residential, or undeveloped property
- Other creative gifts: Loan notes, estate gifts, retirement plans (QCDs)

Giving publicly traded stocks

In most cases, if you have appreciated stocks or mutual funds in a taxable investment portfolio, you have a significant opportunity to give more, simplify the process, potentially pay less tax, and improve your personal cash flow. The key is to donate these appreciated securities *before* you sell them.



TRADITIONAL GIVING USING CHECKS

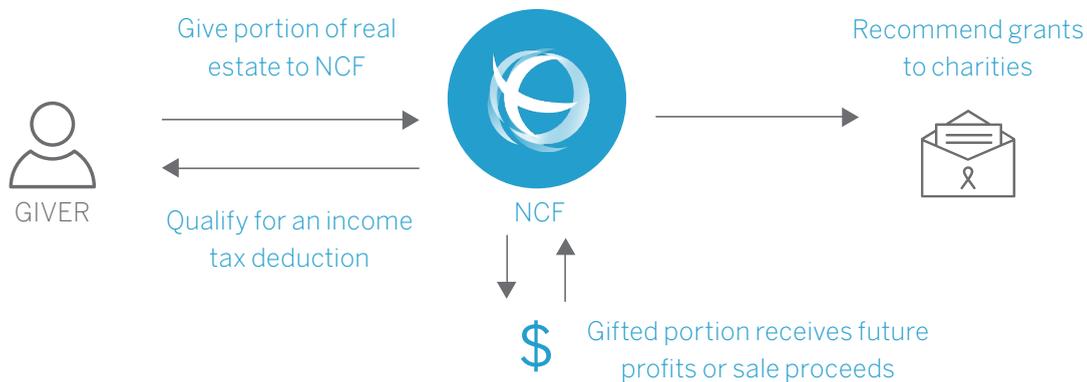
1. Start with \$10,000 in cash
2. Write checks to charities for \$10,000
3. Qualify for a \$10,000 charitable deduction
4. Continue to pay capital gains tax in your portfolio (now or later)

MORE GIVING USING STOCKS

1. Donate \$10,000 of stock into a Giving Fund
2. Qualify for an FMV charitable deduction of \$10,000
3. Shares are sold by NCF with no capital gains tax implications, and proceeds placed in a Giving Fund
4. Opportunity to replenish portfolio with retained cash
5. Use potential tax savings to give more!

Using real estate to fund charity

You can donate interests in appreciated real estate and residential and/or commercial property to NCF. Then, while NCF holds the property and upon liquidation, the proceeds go to your Giving Fund. This may reduce or eliminate taxes on the gifted portion's future income and future sales, resulting in more money for charity. In most cases, you receive an income tax deduction for the appraised fair market value (FMV) of the gift, freeing up additional cash flow for more giving.



THE BENEFITS

- Maximize giving by preserving the full FMV of the gifted asset for charitable impact
- Utilize annual charitable deductions for non-cash asset gifts (up to 30% of AGI), increasing cash flow
- Mobilize tax-efficient income on NCF's portion of future property net income for granting to charities (NCF may have 60 – 100% tax savings on pass-through taxable net income during ownership)
- Avoid or reduce potential capital gains taxes on NCF's portion of future sale proceeds

THE 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
Sell then give cash	\$311,000	(\$52,000)	\$741,000
Give property before a sale	\$420,000	(\$420,000)	\$1,000,000
Difference	\$109,000	\$368,000	\$259,000

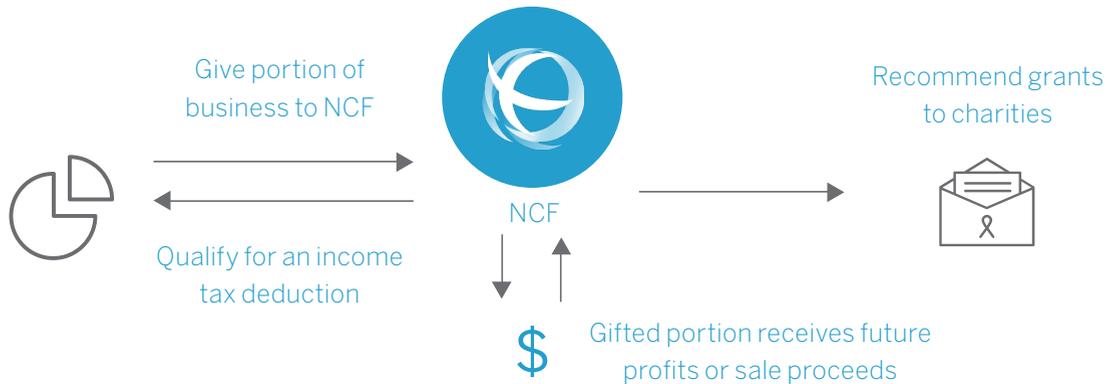
As a result of giving assets vs. giving cash, **\$259,000 MORE** would go to charity and **\$368,000 less** would be payable in taxes!

Assumed Tax Rates:

*Capital Gain – 20% federal, 5% state, 3.5% NIIT
Ordinary Income – 37% federal, 5% state*

Using business to fund charity

There are significant benefits when you donate a portion of your business or business interest to charity. Typically, you receive a substantial 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 Giving Fund for granting.



THE BENEFITS

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

THE 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
Sell, then give cash	\$3,172,000	\$1,110,000	\$718,000
Give stock, then sell	\$3,291,000	\$709,000	\$1,000,000
Difference	\$119,000	(\$401,000)	\$282,000

As a result of giving assets vs. cash, **\$282,000 MORE** would potentially go to charity while increasing net cash flow by **\$119,000** for more giving!

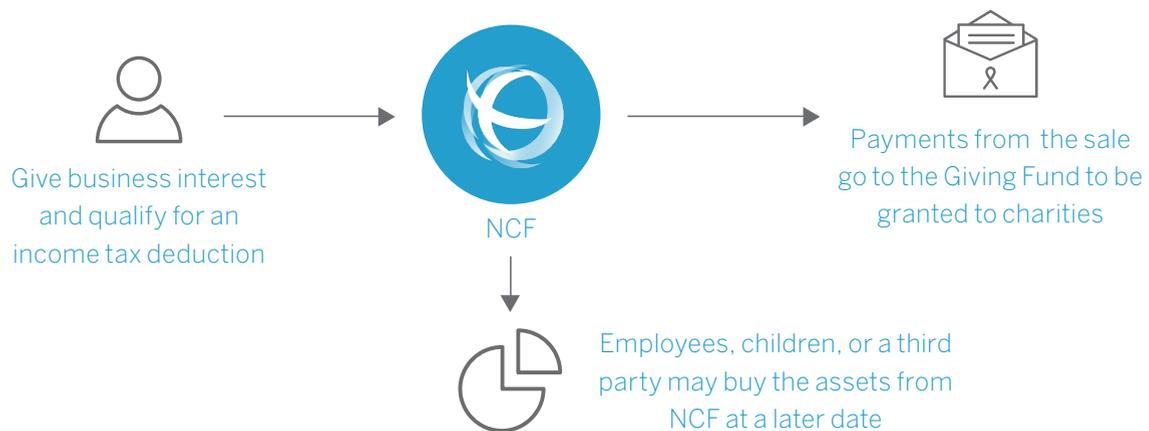
Assumed Tax Rates:

Capital Gain – 20% federal, 5% state, 3.5% NIIT

Ordinary Income – 37% federal, 5% state

Including charitable giving in a business exit strategy

As part of your long-term business planning, consider giving business interests to NCF within the context of your giving strategy. Then at a later date, your employees, children, or a third party may offer to purchase the gifted interest for fair market value (FMV). The proceeds are then available in your Giving Fund for them to recommend grants to your favorite charities and causes.



BENEFITS OF GIVING BUSINESS INTERESTS

- Create a charitable deduction with the business interest, rather than directly transferring it to employees, kids, or a third party in a taxable sale or buyout
- At a later date, employees, children, or a third party may offer to purchase the gifted interest for FMV, and the proceeds would then be available in a Giving Fund at NCF to send to charities
- Maximize any potential liquidity event by preserving the FMV of the gifted asset for charitable impact
- Eliminate or reduce potential 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)
- Reduce potential current-year income taxes via a larger charitable deduction, increasing cash flow

Charitable estate planning

Upon death, there are typically three places assets can pass: family/friends, charity, or the government. If your family has exposure to the federal estate tax, thoughtful planning may significantly reduce or potentially eliminate the estate tax liability and enable you to redirect those reduced taxes for charitable impact.

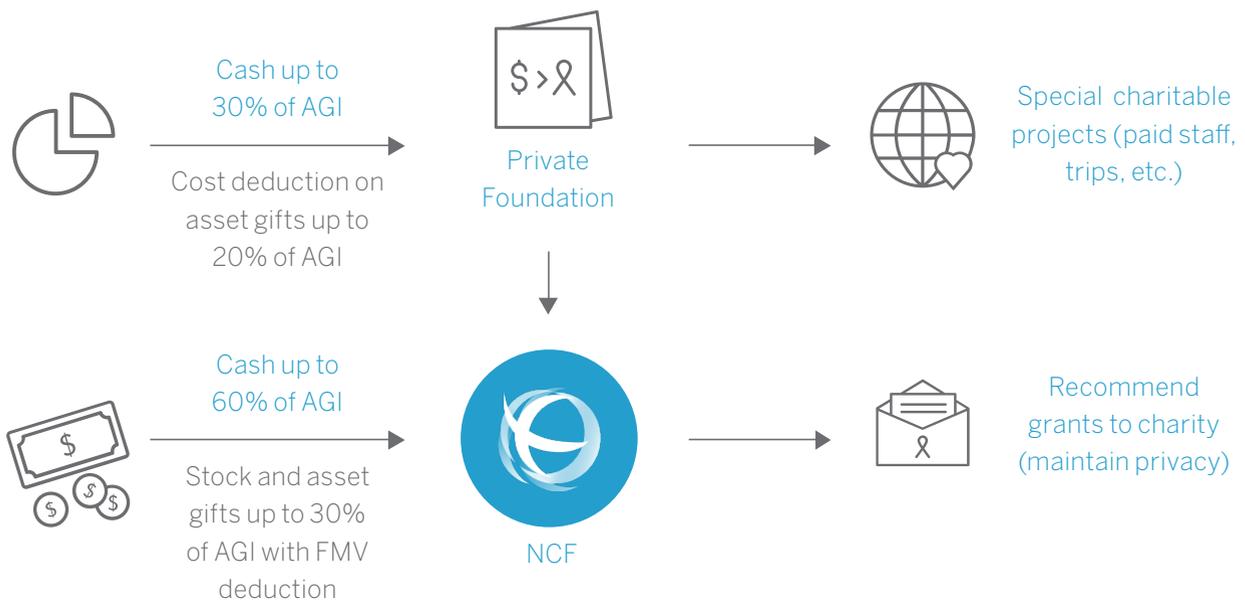


CONSIDERATIONS FOR MAXIMIZING GIVING AND REDUCING ESTATE TAXES

- Quantify the desired lifestyle for you and your spouse: How much do you need to support your lifestyle for the remainder of your lifetime? What is your financial finish line?
- Determine and quantify an appropriate inheritance for your children and grandchildren: What amount of inheritance is more likely to be a blessing than a burden?
- Secure the target inheritance with appropriate gift and estate planning strategies and techniques. Often, basic estate planning strategies are sufficient to secure an appropriate inheritance and reduce estate tax.
- Gift or bequest “excess wealth” to charity and eliminate or reduce estate taxes.
- Why wait? Begin to shape your charitable legacy now and potentially minimize annual income taxes by making lifetime charitable gifts.

Complementing a family foundation with a donor-advised fund

As a complement to a private foundation, a donor-advised fund (Giving Fund) at NCF provides a variety of ways to enhance giving and granting opportunities.



BENEFITS

Giving opportunities:

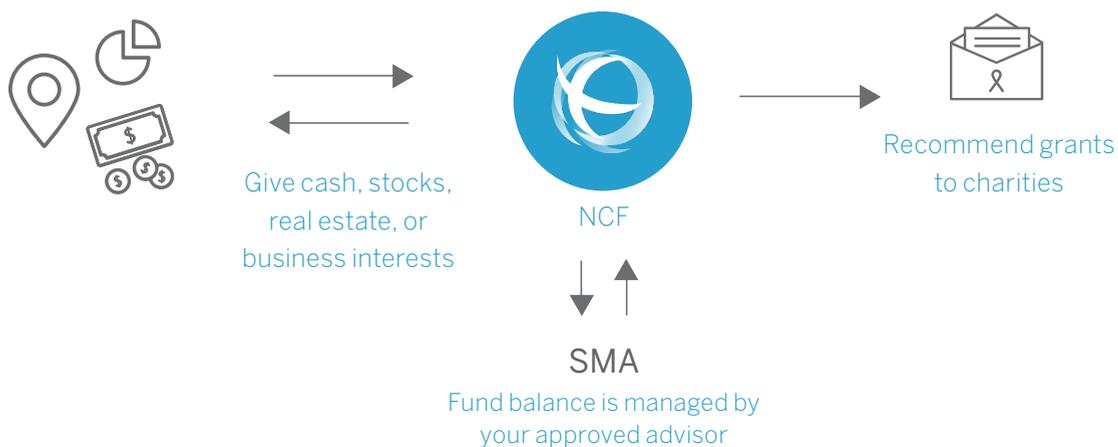
- FMV deduction for asset gifts
- Higher AGI deduction limits

Granting opportunities:

- Make anonymous grants to retain privacy
- Manage all of your giving online anytime from your computer or mobile device
- Reduce paperwork and complexity

Managing investments through Separately Managed Accounts

A Separately Managed Account (SMA) is a flexible investment option that allows Registered Investment Advisors to provide investment services with the charitable dollars in your NCF Fund. SMAs are best suited for givers who have large ongoing Fund balances, longer-term charitable giving horizons, and the desire for their Fund balance and charitable impact to grow over time.



BENEFITS OF AN SMA

- Customized, flexible investment options for assets in your Giving Fund at NCF
- Continuity between your financial and charitable giving plans
- Flexibility for you to create your own investment goals and design unique, custom strategies to achieve your charitable goals
- Potential to grow charitable dollars tax free, for maximum charitable impact

NEXT STEPS

- Connect with your NCF team to discuss whether an SMA is the appropriate vehicle to accomplish your charitable goals (your NCF Fund must have a minimum balance of \$300,000)
- Establish an SMA at NCF, then immediately manage and invest the assets in the Fund
- 5% of the Fund balance will be maintained as cash in the Fund, so that money is available immediately for granting as needed

A comparison of giving vehicles

	DONOR-ADVISED FUND	SUPPORTING ORGANIZATION	PRIVATE FOUNDATION
TAX DEDUCTIONS	MOST	MOST	LEAST
What's the deduction for cash gifts?	Up to 60% adjusted gross income	Up to 60% adjusted gross income	Up to 30% adjusted gross income
For publicly traded securities (held long-term)?	Up to 30% adjusted gross income	Up to 30% adjusted gross income	Up to 20% adjusted gross income
For other non-cash appreciated assets (held long-term)?	Fair market value up to 30% adjusted gross income	Fair market value up to 30% adjusted gross income	Adjusted cost basis up to 20% adjusted gross income
CONTROL & ADMINISTRATION	LEAST	MORE	MOST
What is my role?	Advisory privileges; ultimate control by the sponsoring organization	Neither giver nor family can appoint/control more than 49% of the board; participation in board selection is allowed	You and your family can control/appoint 100% of the board
What control do I have over grants and assets?	You recommend grants and investment options but NCF has overall control	You recommend grants and investment options but the board has ultimate control	The board has complete control of all grants and investments (subject to self-dealing rules)
Can I employ and pay staff?	No	Yes, subject to reasonable compensation limits but not to substantial contributors ¹	Yes, subject to reasonable compensation limits
Can I reimburse expenses?	No	Yes, giver or family can pay expenses but cannot reimburse substantial contributors ¹	Yes
Can I grant to individuals?	No	Yes, subject to IRS regulations	Yes, subject to IRS regulations
PRIVACY	MOST	LEAST	LEAST
Can I grant anonymously?	Yes	No ²	No ²

	DONOR-ADVISED FUND	SUPPORTING ORGANIZATION	PRIVATE FOUNDATION
TAX REQUIREMENTS	LEAST	LESS	MOST
Do I have to pay investment excise taxes?	No	No	Yes, up to 2% of net investments income
What annual tax forms do I need to file?	None	Form 990 and state filings	Form 990-PF and state filings
INVESTMENT OPTIONS	MORE	MOST	LEAST
Can I invest in NCF's pools?	Yes	No	No
Can I invest through brokerage accounts?	Yes, through our SMAs (separately managed accounts)	Yes	Yes
Can I invest in impact investments?	Yes, with additional screening and approval	Yes	Yes
COST	LEAST	MORE	MORE
Are there start-up costs?	No	Yes, legal and state fees for incorporation (no IRS filing under NCF's group exemption)	Yes, legal and state fees for incorporation, IRS Form 1023
What are the ongoing administration and management costs?	Giving Fund: starts at 100 bps, minimum of \$20 per month Cornerstone Fund: starts at 44 bps and scales down, minimum of \$950 per month	Starts at 100 bps and scales down, additional costs for board service (\$10,000 annually) and other administrative functions	Costs for accounting, legal, investment, and general administration

1. Substantial contributors are defined in IRC §507(d)(2)(A) and IRC §4946.
2. Combining with a donor-advised fund can achieve partial privacy and anonymity.

* Information in the chart is based on federal laws as of the date of this printing. These laws are subject to change and can affect the accuracy of this information.

Notes

Notes

Do you need a Giving Strategy™?

At NCF, we believe giving is much more powerful with an intentional strategy. A Giving Strategy based on biblical principles can help you give with greater kingdom impact, leave a more meaningful legacy, cultivate unity in your family, and maximize what you have to give.

Start a conversation with us about your Giving Strategy today today at ncfgiving.com/givingstrategy.

Legacy

Craft an enduring story

Family

Cultivate unity

Passions

Give with kingdom impact

Wealth & Resources

Maximize your giving

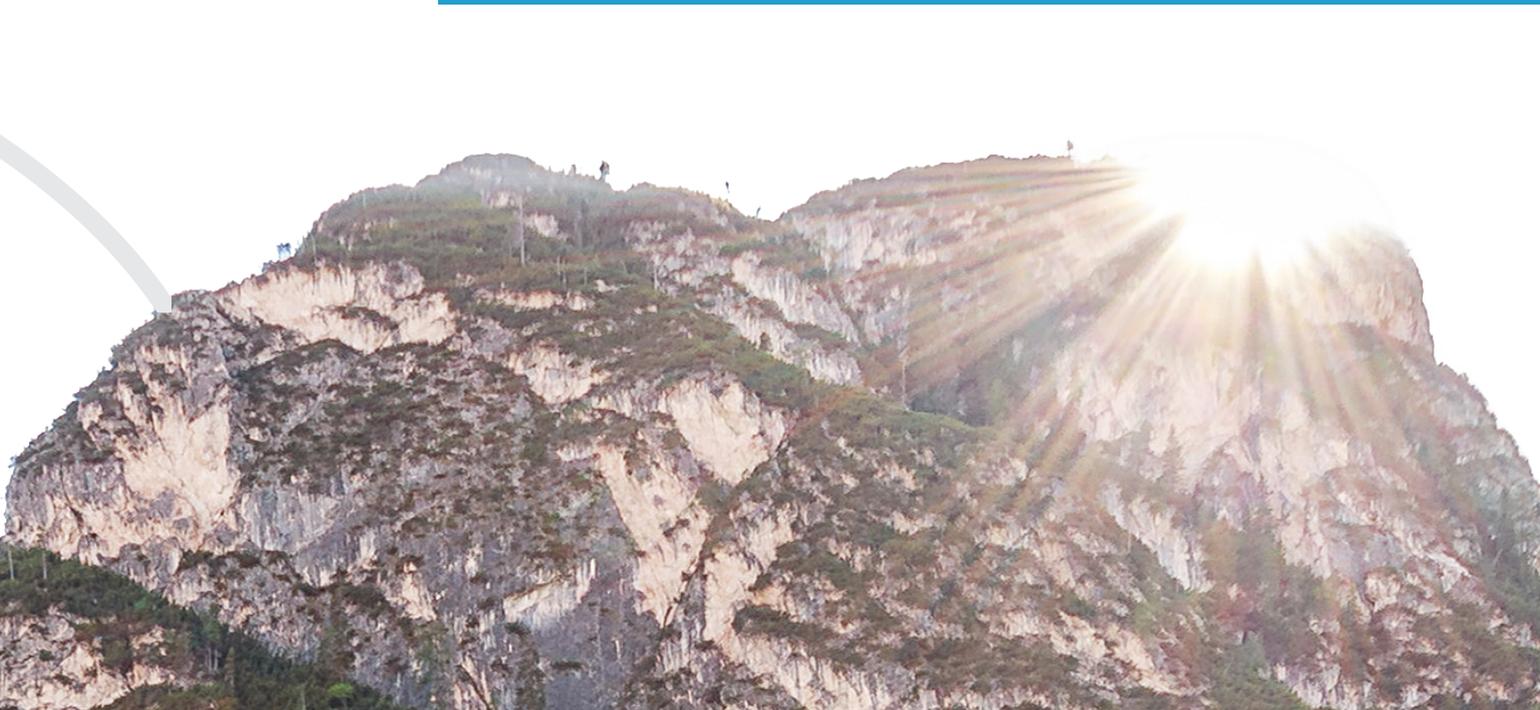
Biblical foundation
for giving



It can make all the difference

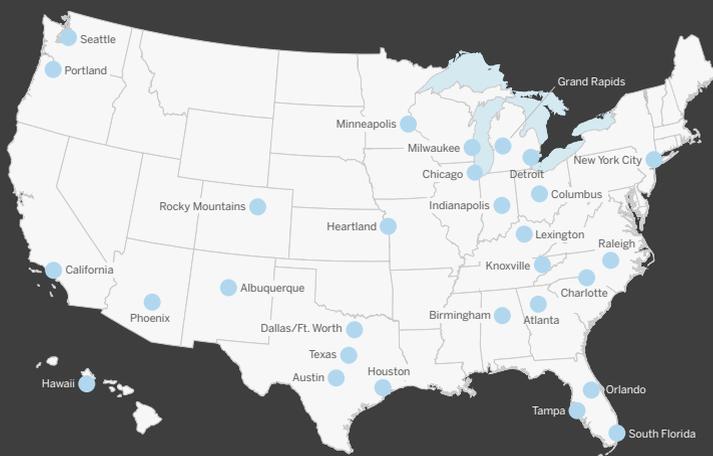
Over the past 40 years, more than 30,000 generous givers and their advisors have relied on the National Christian Foundation (NCF) to help them develop a Giving Strategy that brings clarity and deeper connection to God's purpose for their lives.

By exploring your unique Giving Strategy, you'll uncover opportunities to connect your giving to God's story and experience more joy as you pursue a life of generosity and true abundance.



Growing generosity nationwide

Every day from coast to coast, NCF local teams serve givers, advisors, charities, and churches with innovative giving solutions from an experienced team of charitable giving professionals.



Connect with your NCF team today at ncfgiving.com or 800.681.6223



\$14.5 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.



300+

team members ready to serve

Every day, our local NCF teams serve givers, advisors, charities, and churches with innovative giving solutions from an experienced team of charitable giving professionals.



\$4.5 billion

in complex gifts received

With an in-house team of experienced professionals, we've received more than 2,700 complex gifts, such as business interests and real estate.



71,000+

charities and churches supported

From youth ministry to homelessness, evangelism to adoption, human trafficking to disaster relief ... the causes NCF givers support are as endless as the imagination.