



It's the Most Generous Time of the Year

Some things are seasonal. Just as we make New Year's resolutions, have Memorial Day cook-outs, enjoy 4th of July fireworks, and plan Thanksgiving get-togethers, we also concentrate our charitable giving into the last quarter, and even last month, of the year.

There are a number of reasons for this:

- We have been intending to do this, and this is our traditional time to get it done,
- We want to include these charitable gifts on this year's taxes,
- We have a more complete picture of how our business has done this year and can then give accordingly,
- We receive end-of-year reminders from the charities that are important to us,
- We have given throughout the year and want to make an extra gift to help out,
- It is easiest to arrange finances and make our most significant gifts once a year.

Whatever your reasons, the important thing is not **when** you make your gifts but that **you are making charitable gifts**. The church and its various ministries exist on the voluntary generosity of its members. That is quite a remarkable thing. Obviously, as Christians we take seriously the words of Paul as he commends us:

Remember this: Whoever sows sparingly will also reap sparingly, and whoever sows generously will also reap generously. Each of you should give what you have decided in your heart to give, not reluctantly or under compulsion, for God loves a cheerful giver.

- Paul's 2nd Letter to the Corinthians 9:6-7

So in Christ we, though many, form one body, and each member belongs to all the others. We have different gifts, according to the grace given to each of us. If your gift...is giving, then give generously.

- Paul's Letter to the Romans 12:5-6a, 8b

As you fulfill your personal wishes and enact your charitable goals for this year, be generous to your local United Methodist church. Also consider the opportunities to support the ministries of our United Methodist retirement homes (Wesley Manor in Louisville and Wesley Village in Wilmore), our United Methodist Homes for Children and Youth (in Versailles and Owensboro), our United Methodist colleges (Lindsey Wilson in Columbia, Kentucky Wesleyan in Owensboro, and Union in Barbourville), special district and conference ministries, and also the Kentucky United Methodist Foundation itself. All these ministries deeply appreciate your generous support.

**Look on the back of this newsletter to learn more
about commonly used options for making your end-of year charitable gifts.
The Foundation is here to assist you with any of your end-of-year giving
or any other charitable wishes you would like to carry out.**

David

**Thank you for the present, Aunt Lucille,
but the shirt doesn't fit...**



Have you ever received a gift, but it didn't fit?
What to do then - not use it, give it back? No, best to exchange it for one that does fit.

Our end-of-year charitable gifts need to fit not just the receiver (our church or charity), but also the giver (you and your family). People's circumstances differ. Everyone's situation is not the same. Therefore, a particular way to make a charitable gift might fit someone else's situation, but not yours.

**That's why options are helpful -
one or more of these may be useful to you and your family this year:**

Gifts of Cash - Cash is convenient to give by check. Cash gifts are deductible up to 50% of adjusted gross income for itemizers. The higher your tax rate, the more dollars you generally save from the charitable deduction.

Gifts of Appreciated Securities - Making a gift by transferring shares of stocks, bonds or mutual funds which have gone up in value (appreciated) since you acquired them, can be a tax-wise way to give. Capital gains tax is avoided when stocks you have held longer than a year (long-term property) are given. No capital gain is reportable, which is advantageous even for those who do not itemize. Stock gifts are generally deductible for the full market value of the gift, up to 30% of adjusted gross income for itemizers. The appreciated stock should be transferred to your church, not sold by you. The Foundation is equipped to facilitate this transfer for you at no cost.

Gifts using Depreciated Securities - If you have stocks that have gone down in value from what you paid for them (your basis), you may wish to consider certain tax benefits from making a gift using such stocks. Your financial advisor should help you look at the bigger picture of what you will owe in taxes and determine if taking certain losses on depreciated stock might be useful to you in offsetting other income or gains. If so, you may wish to use the resulting cash from your sale of such stocks to provide the basis for charitable giving.

Charitable Gift Annuity - A charitable gift annuity is actually a triple gift. It pays you an annual fixed income for life (with the rate based upon your age); it gives you a significant charitable tax deduction in the year you establish the annuity; and it provides a generous legacy gift to your church (or charity) after your lifetime. Many retired persons on fixed incomes find this attractive because with CD rates so low, their income may increase significantly.

Bunch 'Em Up - Maximize deductions in a year of higher income perhaps by prepaying some of the next year's gifts - church pledges and other charitable gifts you know you will wish to make anyway.

Carryover Provision - If you give more than the deductible limit in one year, excess deductions may be carried forward and claimed over the next five tax years, as long as you continue to itemize.