

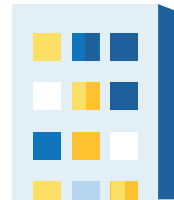
Tax Smart Giving

PLAYS



Play 1

Sell Anything and Donate the Gains



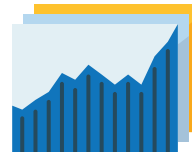
Play 3

Exercise Stock Options to Fund Giving



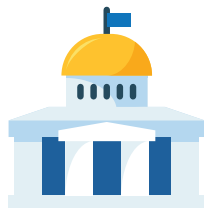
Play 2

Access Retirement Assets for 2021 Giving



Play 4

Give Publicly Traded Stock



CARES Act Summary

Getting Started Checklist and Additional Information

For more information, visit
[NCFCALIFORNIA.COM](https://www.ncfcalfornia.com)

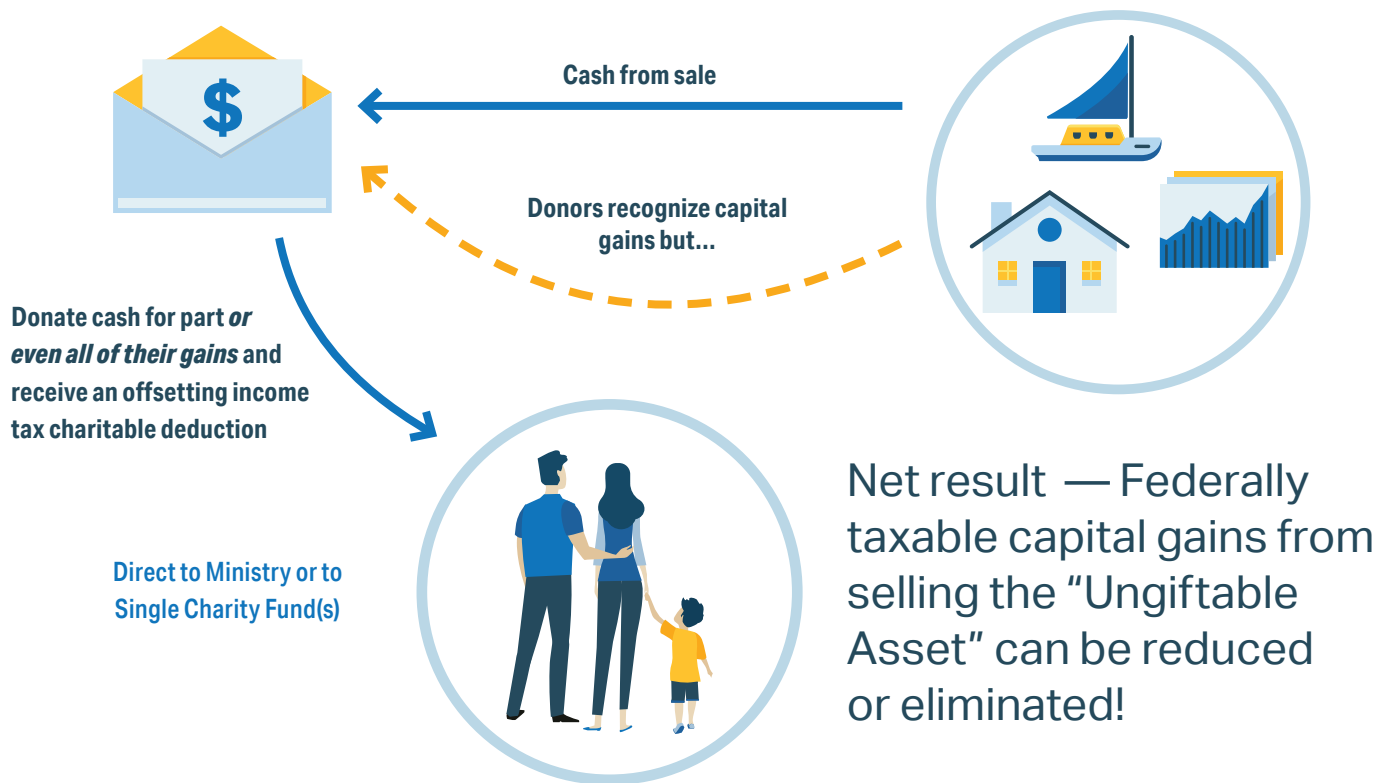


PLAY 1

Sell Anything...and Donate the Gains!

Some assets can not be easily donated to Charity either for tax or other reasons. And selling an appreciated asset usually causes taxable gains. But for this year, under the CARES Act you can donate all your gains to charity and take an offsetting Federal Income Tax charitable deduction!

CARES Act Solution — Sell “Ungiftable” Art or other Assets



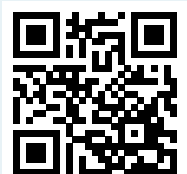
Real Estate
Privately Held Stock
Publicly Traded Stock

Exotic Cars
Water Rights
Crops

Life Insurance
Fine Art
Intellectual Property

Loan Notes
Yachts
Royalties

For more information, visit
NCFCALIFORNIA.COM

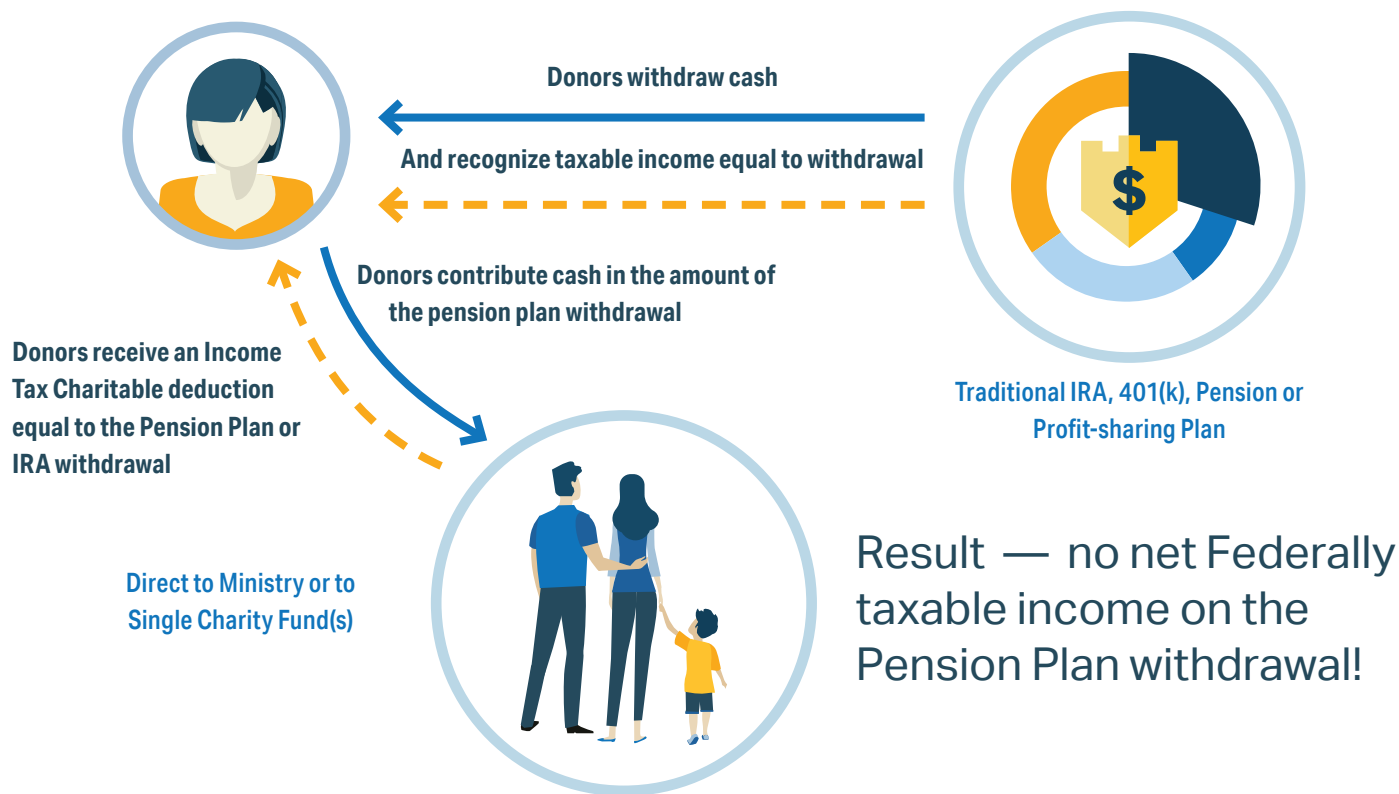


PLAY 2

Access Retirement Assets for 2021 Giving

Normally, individuals over age 70 ½ can make up to \$100,000 per year of Qualified Charitable Distributions from IRA accounts without increasing their taxable income. Individuals over age 59 ½ can usually withdraw funds from any type of retirement plan or account without tax penalties but the withdrawals are taxed as salary income. For this year, those over 59 ½ can withdraw retirement assets, donate the proceeds to ministry and take a Federal income tax deduction for the full amount! As a result, most such donors should not incur any Federal Income tax on the withdrawal of retirement funds if they make an offsetting gift in 2021.

Accessing Retirement Funds for Charitable Giving



For more information, visit
NCFCALIFORNIA.COM

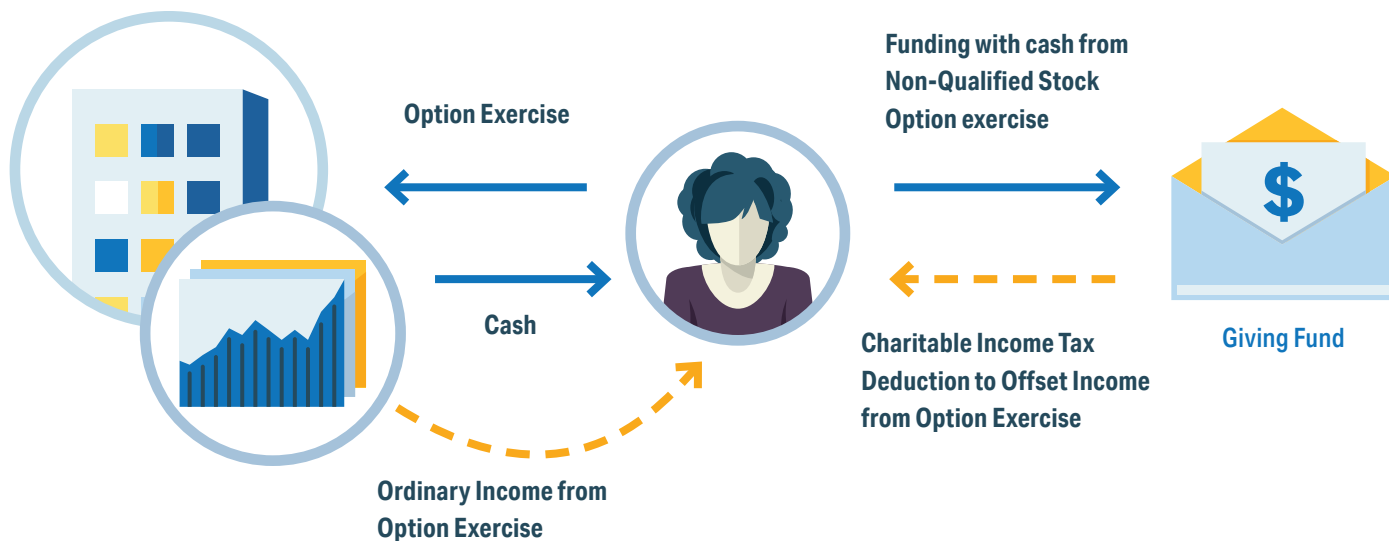


PLAY 3

Exercise Stock Options to Fund Giving

Many employees at publicly traded companies have significant compensation in the form of nonqualified stock options or Restricted Share Units. Under the tax laws, these contract rights are usually not assets that can be donated before being exercised. The holder's only option is to exercise at which point the "gain," the amount in excess of any required payments, is taxable as ordinary income or capital gains.

For the rest of this year, since 100% of any charitable donations are deductible for federal income tax purposes, here too you can exercise as many options as you want and donate all the gains to charity. Your donation offsets your option exercise income and you effectively achieve a federally tax-free option exercise! There may still be some state income taxes due, depending upon the laws of your state, but those amounts are usually modest compared to the Federal income taxes.



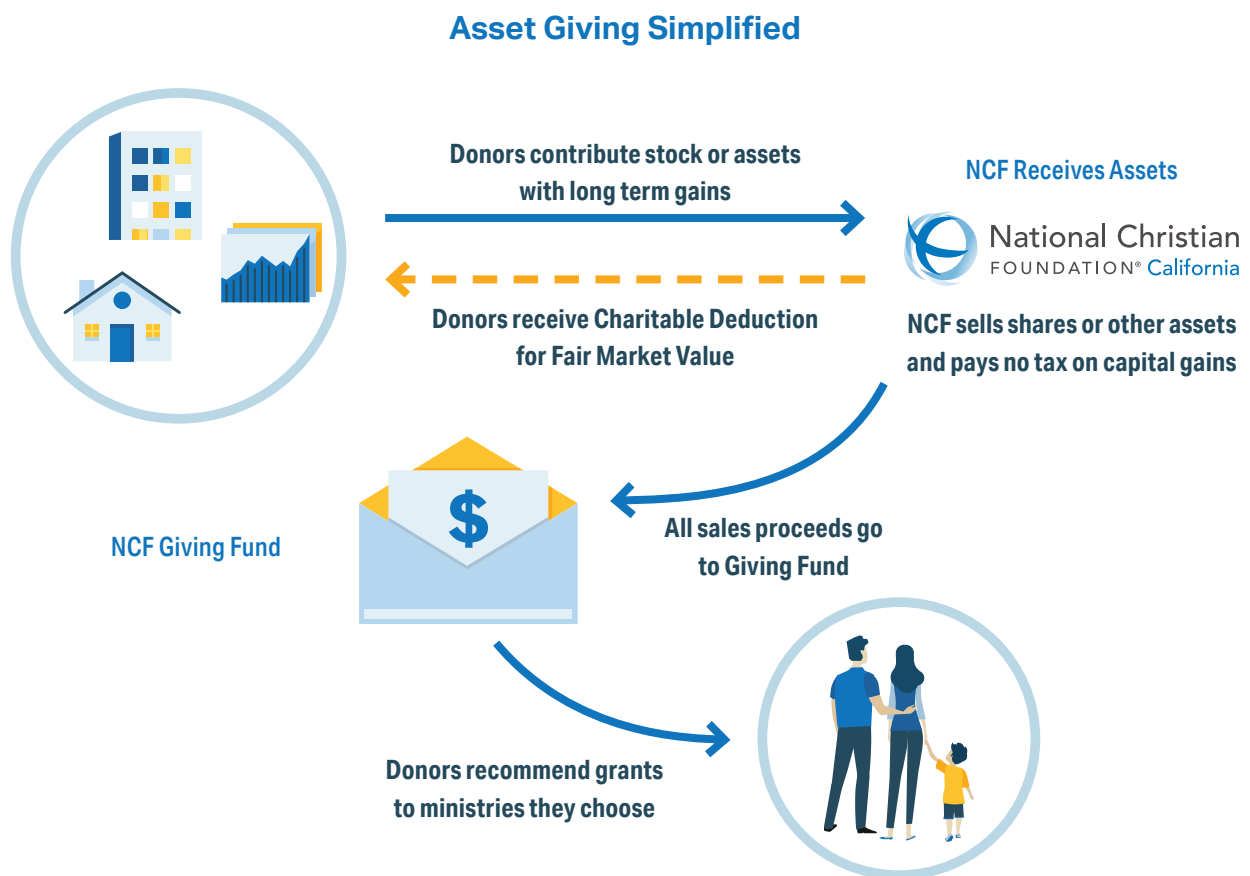
For more information, visit
NCFCALIFORNIA.COM



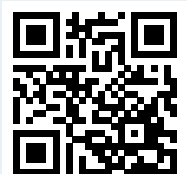
PLAY 4

Give Publicly Traded Stock or Other Long Term Gain Assets

If you are currently writing checks to charities, but also have assets such as appreciated stock, real estate or business interests, you likely have a significant opportunity to give more, simplify your giving, pay no capital gains, and improve your personal cash flow. The key is to donate these appreciated assets BEFORE you sell them.



For more information, visit
NCFCALIFORNIA.COM



CARES ACT

An Explanation of the Unique Opportunities

What's New?

Last year the US government created a new income tax charitable deduction under the CARES Act, which was then extended into 2021. As a result, charitable gifts **made in cash**, to a **regular public charity**, **before the end of the year** (“qualified donations”) are deductible up to the full amount of your total Adjusted Gross Income, reduced only by any charitable deductions you are already taking. *In other words, you can literally choose to give money to charities instead of paying Federal income taxes this year. For those of us who, as Christ followers, have a passion for giving to help others, this is the opportunity of a lifetime.*

Depending upon where you live, you may still owe some state income tax. But even in a high-tax state like California there is a 50% deduction for charitable giving so most donors will pay no more than 5% in state income taxes on the strategies discussed in this book.

What's the Same?

Everything else!

- » Anyone can still give stock, real estate, or business interests they've held for more than one year to a public charity, get a fair market value deduction against 30% of their AGI (Adjusted Gross Income), and not pay taxes on the capital gains.
- » Those over age 70 1/2 can make up to \$100,000 in Qualified Charitable Distributions from an IRA account and not have that distribution count as income.
- » Anyone can donate cash to their Giving Fund at NCF (a “donor-advised fund”) and deduct up to 60% of their AGI or donate a combination of cash and assets and deduct up to 50% of their AGI.

Cash — Always Deductible	
Long Term Capital Gain Property	
Publicly Traded Stock	Play 4 Asset Giving Simplified Deductible up to 30% of AGI
Investment Real Estate	
Vacation Home	
Privately Held Business interests	
Restricted Stocks	
Promissory Notes	
Deductions Limited to Cost	
Short Term Gain Property	Play 1 Sell Anything
Agricultural Products	
Inventory	
Art, Cars and Boats	
Life Insurance	
Annuities	
Intellectual Property	
Interests You Can Not Usually Donate	
Deferred compensation interests (Options, Restricted Shares Units)	Play 3 Employee Stock Options
Pension Plan and IRA Funds (With Exceptions for IRA's held after age 70 1/2)	Play 2 Retirement Assets