

2021

Tax Smart Giving Strategies

PLAYBOOK



Updated for the CARES
Act 100% Income Tax
Charitable Deduction



THE CORNERSTONE
Bible College and Seminary

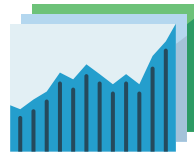
Tax Smart Giving

PLAYS



Play 1

Sell Anything and Donate the Gains



Play 4

Give Publicly Traded Stock



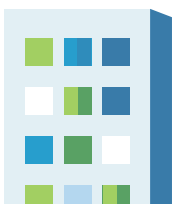
Play 2

Access Retirement Assets for 2021 Giving



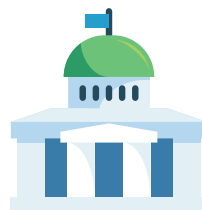
Play 5

Leave a Legacy to The Cornerstone Bible College and Seminary



Play 3

Exercise Stock Options to Fund Giving



CARES Act Summary

Getting Started Checklist and Additional Information

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

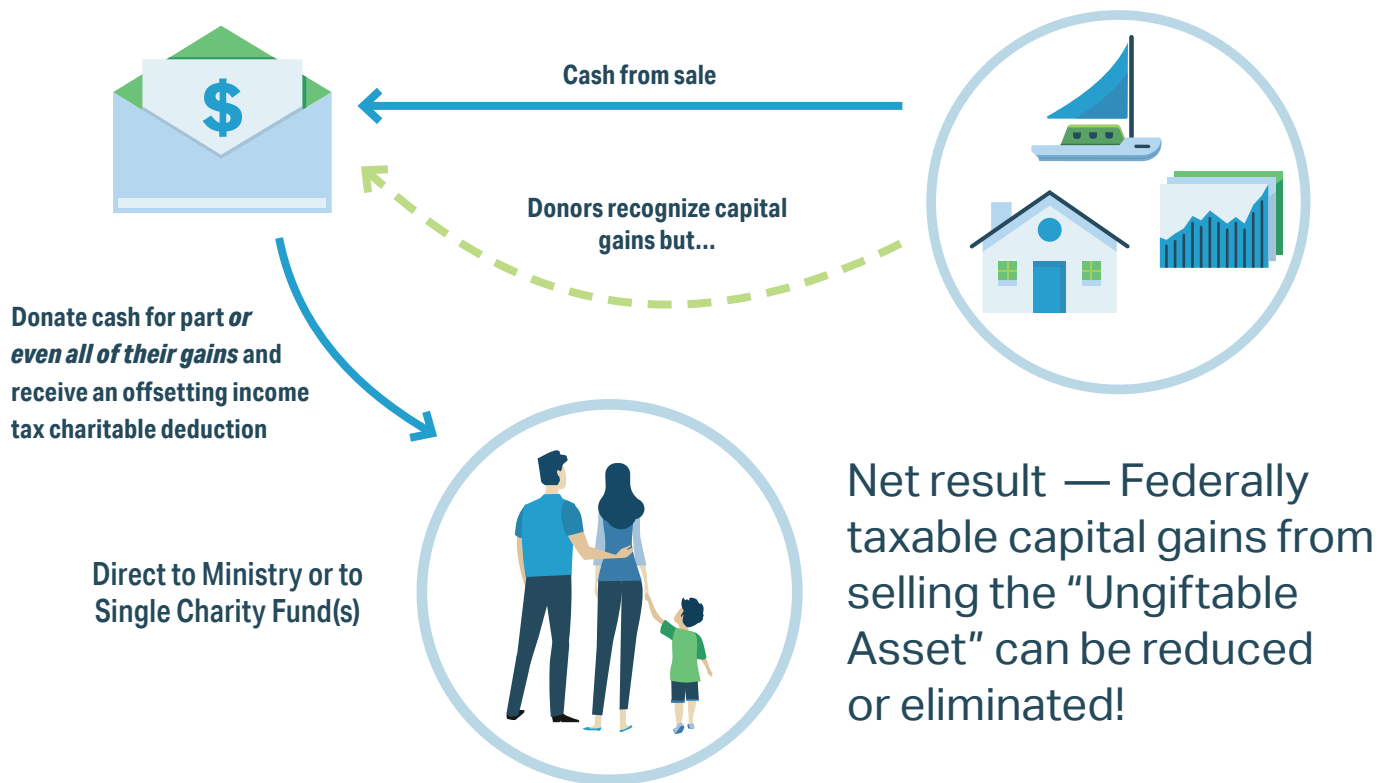


PLAY 1

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

Exotic Cars

Life Insurance

Loan Notes

Privately Held Stock

Water Rights

Fine Art

Yachts

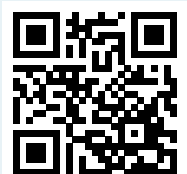
Publicly Traded Stock

Crops

Intellectual Property

Royalties

For more information, visit
NCFCALIFORNIA.COM

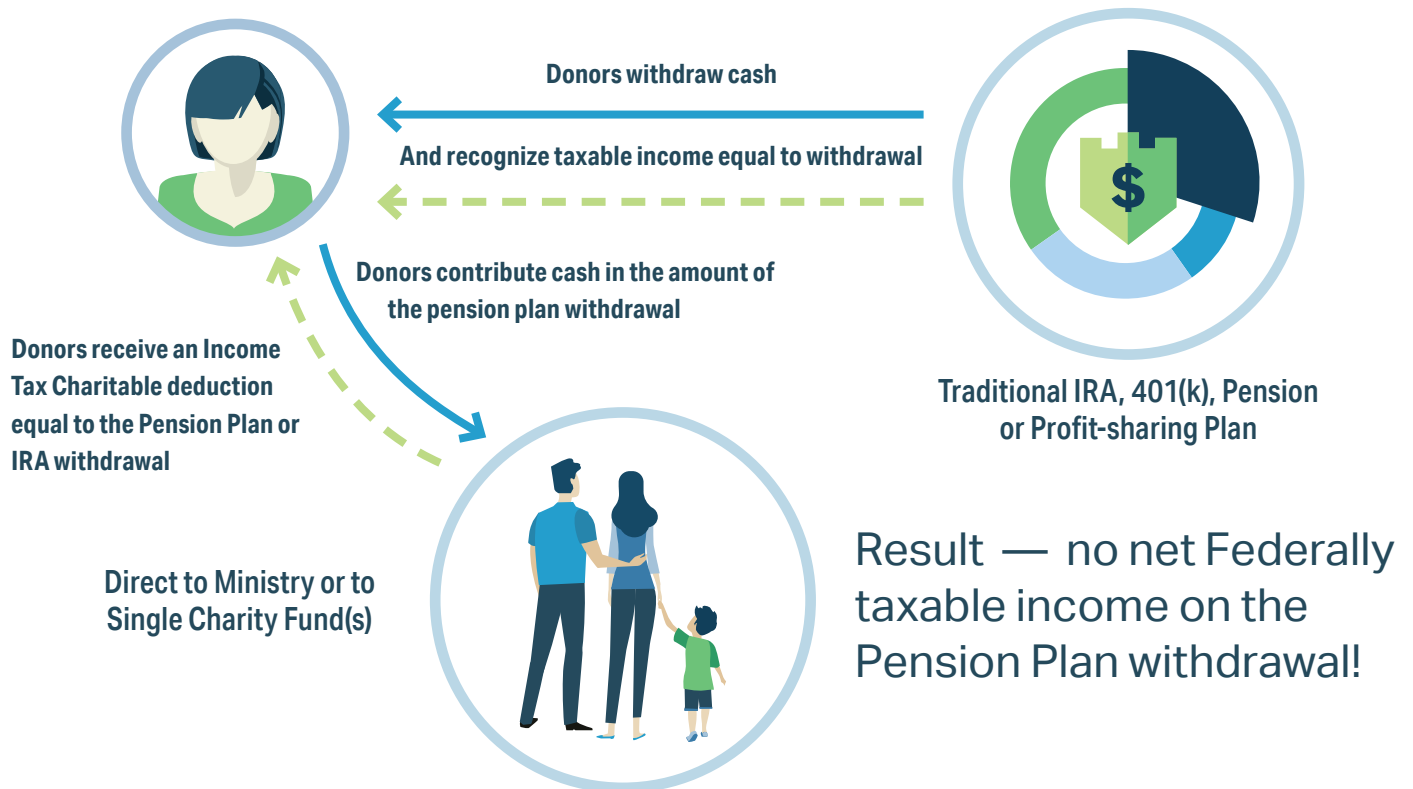


PLAY 2

Access Retirement Assets for 2021 Giving

Anyone over age 59 1/2 can usually withdraw funds from a pension, profit sharing plan or IRA without tax penalties. Such withdrawals are usually taxed as salary income. For this year only, you can make a permitted withdrawal from a retirement account, donate the proceeds to ministry and take a deduction for the full amount! Because of the charitable donation, most 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

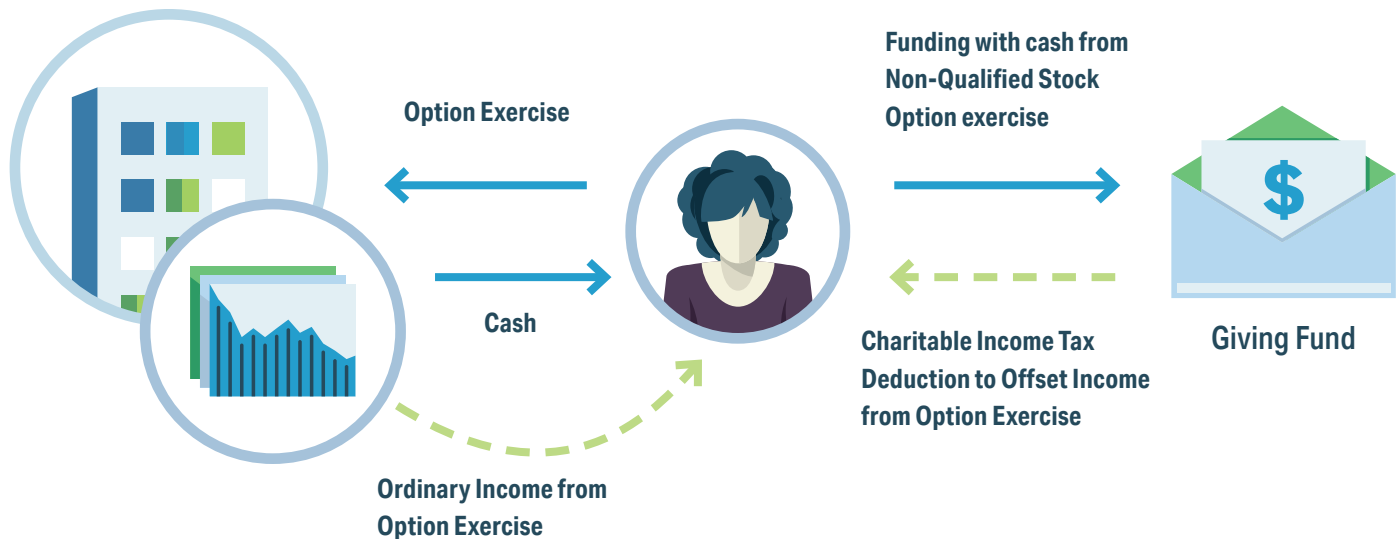


PLAY 3

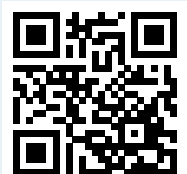
Exercise Stock Options to Fund Giving

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.



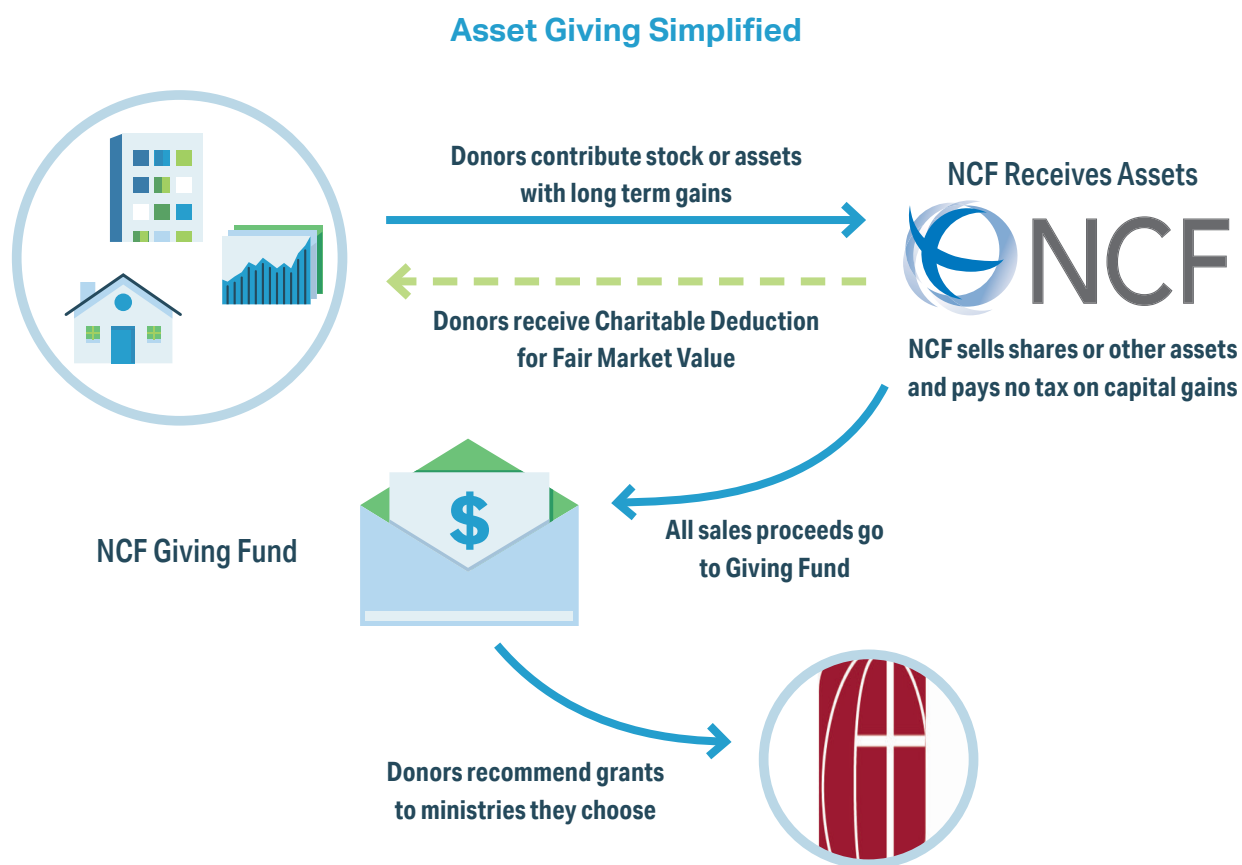
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PLAY 4

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



PLAY 5

Leave a Legacy to Nightlight Christian Adoptions

The Cornerstone Bible College & Seminary (TCBS) fulfills its mission by working in conjunction with the Lord and His local church to fashion each of His gifted, fruitful, and called men into Christ-centered expositors who love and skillfully shepherd the flock. TCBS professors are well-trained theologians who serve in the local church and possess an average of 22 years of pastoral experience. We believe students gripped by the knowledge of God will be men of worship, love, tenderness, & wisdom who know how to use the Scripture and biblical doctrine for the spiritual benefit of Christ's body and evangelization of the lost.

Suggested language for designating a gift to
The Cornerstone Bible College & Seminary in your
estate plan:

For a Residual Gift

"I give, devise, and bequeath to The Cornerstone Bible College & Seminary, Tax ID #56-2454734, for its general purposes, all [or state fraction or percentage] of the rest, residue, and remainder or my estate, both real and personal. The Cornerstone Bible College & Seminary may be contacted at 710 Broadway Street, Vallejo, CA 94590. To the extent possible, all charitable gifts shall be paid from The Cornerstone Bible College & Seminary in respect of a decedent."

For a Specific Gift

"I give, devise, and bequeath to The Cornerstone Bible College & Seminary, Tax ID # 56-2454734, the sum of \$_____ or _____%, for its general purposes. The Cornerstone Bible College & Seminary may be contacted..."

Corporate Legal Name

The Cornerstone Bible College & Seminary

Federal Tax ID #56-2454734

710 Broadway Street

Vallejo, CA 94590

888-863-9258 | www.tcbs.org

For More Information



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THE CORNERSTONE
Bible College and Seminary

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, 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

CONTACT US

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Ryan has been pastor and teacher for 18 years. He received his B.A.

degree from the University of California at Davis in History (1999), his M.Div. from The Cornerstone Seminary (2007), and his Ph.D. from Southern Seminary with an emphasis in Biblical Spirituality and a minor in Church History (2016). Ryan is the author of *Preaching that Exalts Christ: The Pulpit Ministry of Steve Fernandez* and *That God May Be All in All*.

National Christian Foundation



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Bob Fry is an investment advisor, writer, private equity investor, bible

study teacher, and Senior Gift Advisor with the National Christian Foundation of California. He spent 10 years practicing law and more than 25 years as an investment advisor. Most importantly, he and his wife, Susan, are now very involved in helping their four grandchildren with pandemic-era schooling, sports, and other activities.

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