MAXIMIZE KINGDOM GIVING

Inspiring Legacy: Make your money work with a mission

By **Jay D. Westmoreland,** CFP®, CAP®

John Haymes Mills saw the plight of indigent children in the aftermath of the Civil War and wanted to provide appropriate support. With a devout faith in the value of each soul, his compassion for orphaned children was unwavering. John channeled his concern into action by founding Mills Home in Thomasville (later known as Baptist Children's Homes) as a haven for those in need and welcomed Mary Presson, the first child in care, in 1885. His story remains inspirational after more than 125 years!


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Today, Baptist Children's Homes (BCH) ministers to children, adults and families in more than three-dozen communities across NC and SC, and Guatemala and the Philippines. John's dedication to use his resources to serve the Lord has helped change the lives of tens of thousands of children and families. This is a shining example of how one person can make a profound difference in the lives of others. ***Following in his footsteps, you too can make money work with a mission!***

BCH supporters can seek to maximize their kingdom giving by utilizing their non-cash assets and using tax-efficient contribution methods.

Take steps now to reflect on how best to utilize the finances you steward and evaluate these seven helpful strategies with your financial advisor and/or BCH Development Officer.

1. ***Donating Appreciated Securities:*** Giving long-term, appreciated securities rather than cash can avoid potential capital gains taxes, allowing you to give more at the same net cost. With certain limitations, donors may receive a fair-market-value tax deduction on securities donated to a beloved charitable organization.

2. ***Bunching Contributions to Itemize:*** Few taxpayers currently benefit from itemizing because of the sizable standard deduction increase from the Tax Cut & Jobs Act of 2017.

However, by "bunching" larger-than-normal charitable contributions into a single year, a taxpayer may benefit from itemizing that year, before returning to the standard deduction in a subsequent year when the threshold is not exceeded.

3. ***Utilizing a Donor-Advised Fund:*** Consider establishing a Donor-Advised Fund (DAF) to streamline your charitable giving. Grants may be recommended to specific charities over time. Donor-advised funds may be particularly appealing to investors who seek to "bunch" larger than normal deductions in a particular year, and desire to make future grants to favorite nonprofits.

4. ***Making Qualified Charitable Distributions (QCDs):*** For individuals aged 70½ or older, making direct transfers from an Individual Retirement Account (IRA) to a qualified charity can satisfy Required Minimum Distributions (RMDs) up to $105,000 without incurring taxable income.

5. ***Funding a Charitable Gift Annuity from your IRA:*** The passage of the SECURE Act 2.0 enables those over age 70 ½ to make a one-time QCD from an IRA to fund a Charitable Gift Annuity (CGA). Individuals may transfer up to $53,000 and potentially combine their own CGA with one established by their spouse. Although IRA assets are not subject to tax when properly transferred to the CGA, the annual payments to the donor will be taxed as ordinary income.

6. ***Gifting Real Estate:*** Donating real estate unhindered by debt can yield tax advantages. Donors can potentially receive a charitable deduction based on the property's fair market value while avoiding capital gains taxes.

7. ***Legacy Giving:*** Gifts of bequests, trusts, or endowments to charity can provide a lasting impact on your most treasured causes and reduce your taxable estate. Establishing a Charitable Remainder Trust (CRT) allows donors to receive an income stream from the trust for a period of time (potentially over a lifetime), with the remainder going to a beloved charitable organization. A CRT may provide immediate tax benefits while supporting your philanthropic goals and providing supplemental income. Imagine the joy of knowing your philanthropic vision can continue beyond your lifetime!

One reminder: many income tax and estate tax provisions are expected to be negatively affected at the end of 2025 due to the planned "sunset" of the 2017 Tax Cuts and Jobs Act (TCJA).

Planned changes could have adverse implications for your personal finances and will likely bring increased demand for planning. Take time to make your money work with a mission!

About the author:

Jay D. Westmoreland, CFP®, CAP® serves as Executive Director of Wealth Management, Senior Portfolio Management Director, and Financial Advisor at Morgan Stanley in Charlotte.

He is a leader in the firm's Christian Focus Group and a past Chair of the BCH Board of Trustees. He was instrumental in founding the newly dedicated River Hill Refuge foster care program in Shelby, NC.