tKW LEGACY

MAXIMIZE YOUR IMPACT

TAX STRATEGIES TO AMPLIFY KINGDOM GIVING

INTRODUCTION

Welcome to Maximize Your Impact: Strategic Tax Planning for Kingdom Stewardship. This guide equips sophisticated investors and faith-driven families with practical, high-impact strategies to align their wealth with Kingdom values. Through tax-efficient philanthropy and estate planning, you can amplify your giving, preserve multi-generational wisdom, and optimize financial stewardship.

1. UNDERSTANDING TAX-EFFICIENT GIVING

The Power of Generosity

Scripture calls us to be wise and cheerful stewards. The U.S. tax code offers various tools to enhance your philanthropic impact. Implementing strategic giving allows you to:

- Reduce taxable income while maximizing your financial influence.
- Increase resources available to support Kingdom-driven initiatives.
- Establish a lasting legacy of generosity and discipleship.
- Support causes aligned with your faith and values.

Key Strategies for Tax-Efficient Giving

1. Donor-Advised Funds (DAFs)

DAFs offer a streamlined, tax-advantaged approach to charitable giving. Benefits include:

- Immediate tax deduction upon contribution.
- Avoidance of capital gains taxes on appreciated assets (e.g., stocks, real estate).
- Ability to grow contributions tax-free and distribute funds over time.

2. Charitable Remainder Trusts (CRTs)

CRTs provide income to donors while securing long-term support for charities. Key benefits:

- Tax-free sale of highly appreciated assets.
- Immediate income tax deduction.
- Structured payout options (fixed annuities or percentage-based unitrusts).
- Estate tax benefits while funding faith-driven initiatives.

3. Qualified Charitable Distributions (QCDs)

For individuals 70½ or older, QCDs allow tax-free transfers from IRAs to qualified charities. Benefits:

- Satisfies Required Minimum Distributions (RMDs).
- Reduces taxable income while directing funds toward meaningful causes.

4. Business Giving Strategies

- Deduct charitable contributions directly from business profits.
- Partner with nonprofit organizations for mission-aligned corporate giving.
- Transfer business ownership interests to charity pre-sale to reduce capital gains tax exposure.

5. Bunching Donations

Consolidate multiple years' worth of donations into a single year to exceed the standard deduction threshold and maximize tax benefit

This is why a CRT might make sense...

1. Tax-Free Sale of Appreciated Assets

Avoid Capital Gains Tax: Donors can transfer highly appreciated assets (e.g., stocks, real estate) to the CRT. When the trust sells the assets, it avoids capital gains tax because the CRT is a tax-exempt entity.

This maximizes the value of the assets for generating income.

2. Lifetime Income Stream

Income for Life or Term: The CRT provides the donor (or other named beneficiaries) with a steady income stream for life or a term of up to 20 years.

Income can be structured as:

→ Annuity Payments (fixed annual payments).

→ Unitrust Payments (a percentage of the trust's value, adjusted annually).

3. Immediate Charitable Deduction

Tax Deduction: Donors receive an immediate income tax deduction for the present value of the remainder interest that will eventually pass to the charity.

The deduction is subject to IRS limits based on the donor's adjusted gross income (AGI).

4. Estate Tax Benefits

Reduce Estate Taxes: By removing assets from the taxable estate, a CRT can help reduce estate taxes for high-net-worth individuals.

This is particularly valuable for donors with significant estates who want to minimize transfer taxes.

5. Philanthropic Legacy

Support Charitable Causes: At the end of the trust term, the remaining assets go to the donor's chosen charity, creating a meaningful and lasting impact aligned with their values.

6. Flexibility in Asset Selection

CRTs can accept a wide range of assets, including:

→ Publicly traded securities.

→ Real estate.

→ Closely held business interests (with proper structuring).

7. Diversification and Reinvestment

Reinvestment Opportunity: When the CRT sells the contributed assets, it can reinvest the proceeds in a diversified portfolio, potentially generating more stable and higher income over time.

8. Protect Beneficiaries

Structured Payouts: For donors concerned about beneficiaries mismanaging a lump sum inheritance, the CRT provides controlled, periodic distributions.

Bunching Donations

→ Combine multiple years' worth of charitable contributions into one year to exceed the standard deduction.

Business Giving Strategies

→ Deduct charitable donations directly from business profits.

→ Partner with nonprofit organizations for mission-aligned initiatives.

2. INNOVATIVE ESTATE PLANNING FOR KINGDOM IMPACT

Leaving a Legacy

Your estate plan is an opportunity to reflect your values and ensure your wealth continues to advance Kingdom purposes. Innovative strategies can:

- → Minimize estate and inheritance taxes.
- → Provide for your family while supporting causes close to your heart.
- → Strengthen your legacy of faith and generosity.

Key Strategies for Estate Planning

Charitable Bequests

- → Designate specific charities or ministries as beneficiaries in your will or trust.
- → Benefit from potential estate tax deductions.

Family Foundations

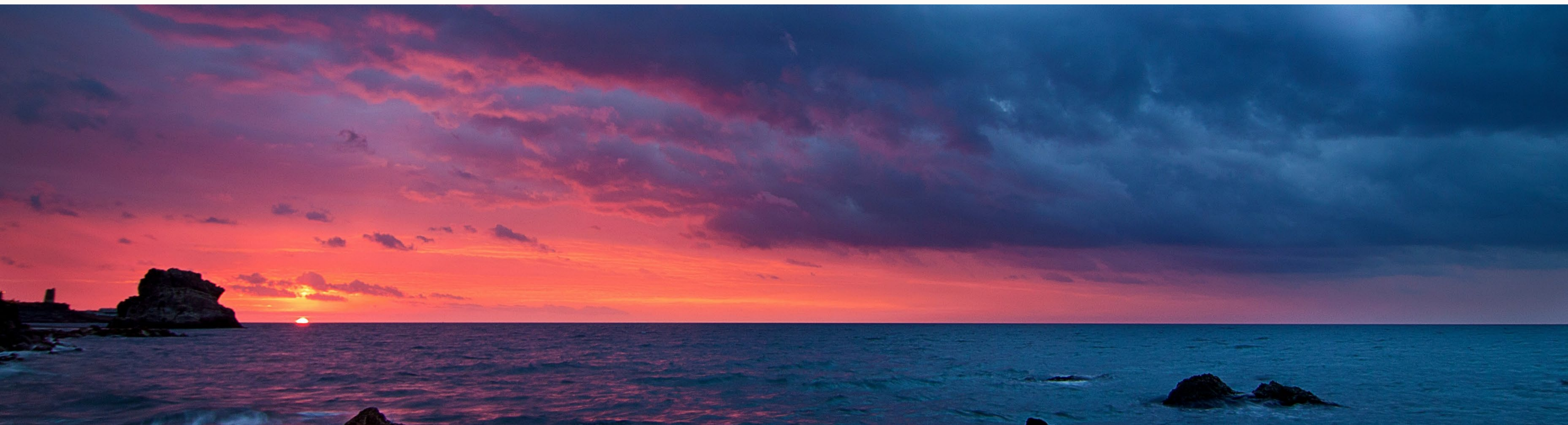
- → Establish a private foundation to involve your family in giving decisions.
- → Engage the next generation in stewarding resources for Kingdom purposes.

Wealth Replacement Trusts

- → Use life insurance to replace assets donated to charity, ensuring your heirs are provided for.

Gifting Strategies

- → Gift appreciated assets during your lifetime to reduce your taxable estate.
- → Leverage annual gift tax exclusions to transfer wealth efficiently.



3. TAX PLANNING FOR MAXIMUM IMPACT

Customizing Your Tax Plan

Your financial situation and calling are unique. This section provides prompts to help you create a tax plan tailored to your goals and mission.

Reflection Questions

1 What are your giving priorities?

- → Which ministries, charities, or initiatives align with your values?
- → Are there specific Kingdom goals you want to fund?

2 What assets can you leverage?

- → Do you hold appreciated securities, real estate, or business interests?
- → Are there untapped opportunities in your retirement accounts or insurance policies?

3 How do you want to involve your family?

- → Would you like to engage your children or grandchildren in giving decisions?
- → Are you interested in creating a family foundation or a legacy plan?

4. CUSTOMIZE YOUR TAX PLAN: STRATEGIC WEALTH STEWARDSHIP

Every family's financial journey and calling are unique. To optimize your impact, consider strategies that minimize tax burdens while maximizing Kingdom influence.

The Power of Gifting Highly Appreciated Assets

One of the most tax-efficient ways to give is by donating assets with substantial unrecognized appreciation. This strategy allows donors to:

- **Avoid capital gains tax** while receiving the full value of the donation.
- **Maximize their charitable deduction** by gifting the fair market value of the asset.
- **Preserve liquidity** while funding Kingdom-driven initiatives.

Opportunities for Gifting Appreciated Assets:

Business Exit/Sale

Entrepreneurs can donate shares of their business **before** a liquidity event, reducing taxable gains while supporting Kingdom causes.

Stock Options & Grants

High-net-worth individuals with significant stock appreciation can donate vested options or grants to avoid capital gains.

Real Estate & Other Appreciated Assets

Property owners can transfer real estate before selling, optimizing both tax savings and impact.

Actionable Takeaway

Work with a financial advisor or tax professional to identify highly appreciated assets within your portfolio. Strategic gifting ensures tax-efficient giving, allowing you to make a more significant Kingdom impact.

5. APPRECIATED ASSETS & UNREALIZED GAINS: STRATEGIC TAX PLANNING

Understanding the role of appreciated assets and unrealized gains is essential for high-net-worth families seeking to optimize their philanthropic impact while maintaining tax efficiency.

What Are Appreciated Assets?

Appreciated assets are investments—such as stocks, real estate, or business interests—that have increased in value since their purchase. When sold, the difference between the purchase price (cost basis) and the sale price is considered a capital gain, which may be subject to capital gains tax.

The Power of Unrealized Gains in Charitable Giving

Many investors hold significant unrealized gains within their portfolios, creating an opportunity to:

- **Avoid capital gains tax** by donating appreciated assets directly to a charity or donor-advised fund (DAF).
- **Maximize charitable deductions** while preserving liquidity.
- **Diversify holdings without triggering tax liabilities** by reallocating appreciated securities tax-efficiently.

How to Utilize Appreciated Assets for Kingdom Impact

Donate Appreciated Stock Instead of Cash

Direct contributions of stock to a charity or DAF allow you to avoid capital gains taxes while receiving a full charitable deduction.

Use Business Ownership Transfers for Giving

Business owners can gift shares before a sale, reducing tax burdens while benefiting ministries.

Incorporate Real Estate Donations

Donating real estate before a sale avoids capital gains tax and generates charitable deductions.

Actionable Takeaway

Assess your portfolio for highly appreciated assets and consult with a financial advisor to develop a giving strategy that minimizes tax exposure while maximizing impact. Consider integrating donor-advised funds, charitable trusts, or direct gifts to advance your faith-driven mission.

6. RESOURCES AND NEXT STEPS

Gather Financial Documents

Collect tax returns, investment statements, and estate plans for review.

Resource

Estate Planning Checklist

Secure your assets and avoid legal issues—use a checklist for wills, trusts, and planning.

Resource

Develop a Giving Calendar

Outline key dates for making contributions to maximize tax benefits.

Resource

Work with tax professionals, estate planners, and financial advisors to refine your plan.

Charitable Asset Planning Template

Asset Type	Estimated Value	Tax Implications	Potential Charity/Ministry	Action Needed
Stocks/Equities				
Real Estate				
Cash				

Faith-based DAF Providers

Donor-Advised Funds (DAFs) are a flexible and tax-efficient way to manage charitable giving, allowing donors to contribute assets, receive immediate tax benefits, and recommend grants to their chosen charities over time. For those interested in faith-based philanthropy, several organizations specialize in managing DAFs aligned with religious values. Here are some notable faith-based DAF providers

National Christian FOUNDATION®

National Christian Foundation (NCF)

Established in 1982, NCF is a prominent Christian nonprofit that assists donors in giving wisely and tax-efficiently to support their preferred charitable causes. NCF is recognized for its expertise in accepting non-cash assets and is among the nation's largest providers of donor-advised funds focused on Christian givers. Since its inception, NCF has facilitated over $16 billion in grants to more than 71,000 churches, ministries, and charities.

ncfgiving.com

The Signatry

The Signatry

Founded in 2000, The Signatry's mission is to inspire and facilitate revolutionary, biblical generosity. They offer donor-advised funds and specialize in assisting with family legacy planning and succession. The Signatry has facilitated more than $4 billion in transformational grants for nonprofits worldwide.

thesignatry.com

WATERSTONE

WaterStone

Established in 1980 and headquartered in Colorado Springs, CO, WaterStone is a Christian foundation that collaborates with givers, advisors, and ministries to provide trusted counsel and innovative giving strategies. They specialize in working with business owners and stewards of family wealth to unlock the giving potential of non-cash assets such as real estate, business interests, and agricultural commodities.

FAITHDRIVENINVESTOR.ORG

CHARITYVEST

Charityvest

Launched in 2019, Charityvest is a personal charitable giving fund that enables individuals to donate to U.S. nonprofits from a single tax-deductible account. Their online platform allows anyone to create a donor-advised fund or charitable giving account at any amount of giving.

Best Suited for: A US-based giver who wishes to create a donor-advised fund of any amount (great if you're starting out small!) and who doesn't require in-depth advisory services to manage it.

charityvest.org

TrustBridge global

TrustBridge Global

Founded in 2016 – Non-US (Headquarters in Bern, Switzerland)

TrustBridge Global Foundation is a foundation that professionally manages and deploys charitable giving to all corners of the world. Current members of the TrustBridge Global Network collectively comprise over $8 billion in assets representing more than 50,000 donors sending over $2 billion a year to 70,000 charities in over 85 countries on 6 continents. TrustBridge Global serves non-US investors and givers.

Best Suited for: A giver based outside of the United States who wishes to create a donor-advised fund and/or use charitable capital from their DAF to make impact driven investments and grants.

trustbridgeglobal.com

Conclusion

Through thoughtful tax strategies, you can multiply the impact of your giving and leave a legacy that advances the Kingdom of God. Start today by implementing the principles and prompts in this workbook. Together, we can make a difference for generations to come.