

A photograph of the University Presbyterian Church in Chapel Hill, North Carolina. The church features a prominent white portico with four columns and a tall brick steeple. The sky is clear blue.

Gifts to University Presbyterian Church

**Helping strengthen the ministry and future of
University Presbyterian Church through the sharing
of financial resources.**

UNIVERSITY

PRESBYTERIAN CHURCH
CHAPEL HILL, NORTH CAROLINA

In grateful response for all that we have received, we are called to share our financial resources. With the information in this brochure, you may find many ways to express your gratitude through the ministries of University Presbyterian Church (UPC).

Planned giving is an opportunity for us to return to God that which God entrusted us with during our lifetime. It is also an opportunity for us to further strengthen Christ's church for the future by providing ministry and mission for those who come after us. We stand on the shoulders of those who came before us; let's be the shoulders for those who come after us.

The following gifting possibilities are organized into three categories: *(1) Gifts Now*, meaning gifts that provide immediate benefit to UPC, *(2) Gifts that Provide Income*, meaning gifts that pay income to the donor during his or her lifetime, then provide benefit to UPC, and *(3) Gifts Later*, meaning non-income producing gifts that take effect and benefit UPC upon the passing of the donor.

All types of gifts must be established during the lifetime of the donor, regardless of when the gift becomes effective.



*"strength for today and
bright hope for tomorrow..."*

from "Great is Thy Faithfulness" by Thomas Chisholm



Gifts Now

Stock and Securities

A donation of long-term appreciated stock or other securities, those that you have held for more than twelve months, create an immediate charitable deduction in the full fair market value of the stock or security. In addition, you avoid the capital gains tax that would otherwise accrue as a result of the sale of the stock or security. Please consult with a financial professional to determine the most tax efficient and beneficial timing of a donation of stock or other securities.

Real Estate

A donation of real estate to UPC creates an immediate income tax deduction for you in the amount of the real estate's appraised value and you avoid the capital gains tax that would otherwise accrue as a result of the sale of the real estate. After the gift is made, cash distributions from the real estate benefits UPC and are not taxed to you as income. Please contact the UPC Finance Office (finance@upcch.org) regarding the donation of any real estate to UPC to make sure we can accept your gift.

IRA Charitable Trust Rollover

If you own a Traditional IRA and have reached the required beginning date for distributions, you are required to make minimum distributions each year. These distributions are taxed to you as income. An IRA Charitable Rollover (also known as a Qualified Charitable Distribution) would fulfill all or part of your annual required minimum distributions by making a distribution directly to UPC. Not only does this gift make an immediate charitable impact at UPC during your lifetime, it also reduces your taxable income for the year of the distribution. An IRA Charitable Rollover could be used to fulfill your annual stewardship pledge to UPC while reducing your tax burden due to required minimum distributions.

Cash and Donor Advised Funds

A donation of cash results in an income tax deduction. If you are interested in making a charitable gift, but want more time in deciding which charities you are interested in supporting, a gift to a Donor Advised Fund may provide the flexibility you need. A manager may transfer assets to a donor advised fund, which results in an income tax deduction for the year of the transfer.

The gift assets are set aside in a fund and invested. As the donor, you advise how fund assets are then distributed to charities over time. Donor advised funds can be used to generate a large income tax deduction in a single year which then support charities for many years to come. Please consult with a financial professional to see if a donor advised fund is a good fit for your goals.

Charitable Lead Trusts

A Charitable Lead Trust is an irrevocable trust funded by a transfer of cash or appreciated securities that makes payments to UPC for a fixed term of years. Upon termination, the balance of the trust property is distributed to your beneficiaries. A charitable lead trust can reduce your taxable estate and accelerate income tax deductions. In addition, a charitable lead trust may reduce gift taxes, which means more of your property reaches your beneficiaries. If you are interested in a charitable lead trust, please consult a financial professional to make sure gifts through an irrevocable trust meet your goals.



*"...all I have needed
Thy hand hath
provided"*

from "Great is Thy Faithfulness"
by Thomas Chisholm



Gifts that Provide Income

Charitable Gift Annuity

A Charitable Gift Annuity is a contract with UPC that pays a fixed amount, the lifetime annuity, to one or two annuitants in exchange for a gift of cash or appreciated securities. Annuitants must be at least 55 years old to receive payments from the charitable gift annuity. At the death of the surviving annuitant, the remaining funds will be used to support UPC in the way you designate in the contract. Donors may receive an income tax deduction for a portion of the gift in the year in which the charitable gift annuity is established. In addition, a portion of the lifetime annuity payments will be tax-free income for the annuitants. Please consult with a financial professional to see if a charitable gift annuity will meet your goals and contact the UPC Finance Office (finance@upcch.org) to discuss the requirements to establish a charitable gift annuity with UPC.

Charitable Remainder Trusts

There are two types of charitable remainder trusts, a *Charitable Remainder Annuity Trust* and a *Charitable Remainder Unitrust*. In both types, you transfer cash or appreciated securities into an irrevocable trust that will make payments to you and/or your named beneficiaries for life or a specified term of years. When your trust terminates the remaining balance will be distributed to UPC.

Charitable Remainder Annuity Trusts provide payments of a fixed dollar amount or percentage of the initial value of your trust to you or your beneficiaries. The payments stay the same during the term of the trust. In this way the trust creates a steady stream of payments no matter the performance of the trust's investments. If the value of the trust increases, more will be distributed to UPC when the trust terminates, and if the value of the trust decreases, a smaller amount will be distributed to UPC.

Charitable Remainder Unitrusts provide payments of a fixed percentage of the annual value of your trust. The payment to you or your beneficiaries will increase as the trust value increases if the trust investments perform well and will decrease if the performance of the trust investments decline. The remainder of the trust assets are distributed to UPC when the trust terminates.

Because part of your trust contribution is a charitable donation, you will receive an income tax charitable deduction in the year of your contribution. You may also avoid capital gains tax on appreciated assets and benefit from a reduction in both estate and income taxes.

If you are interested in a charitable remainder trust, please consult a financial professional to make sure gifts through an irrevocable trust meet your goals.



Bequests to UPC

A bequest is a planned gift included in your will or living trust. A bequest does not affect your finances during your lifetime and can be changed at any time by amending your will or living trust. A bequest to UPC will not be subject to estate tax and may provide a charitable deduction for your estate.

A **Specific Bequest** is a gift of a specified dollar amount. For example:

“I give to University Presbyterian Church, currently located at 209 East Franklin Street, Chapel Hill, North Carolina the sum of \$50,000 as an unrestricted gift to be used for such uses and purposes as its governing board deems appropriate.”

A ***Residuary Bequest*** is a gift of all or a portion of your estate. For example:

Gift of all: "I give to University Presbyterian Church, currently located at 209 East Franklin Street, Chapel Hill, North Carolina the residue of my estate as an unrestricted gift to be used for such uses and purposes as its governing board deems appropriate."

Gift of portion: "I give to University Presbyterian Church, currently located at 209 East Franklin Street, Chapel Hill, North Carolina Ten percent (10%) of the residue of my estate as an unrestricted gift to be used for such uses and purposes as its governing board deems appropriate."

A ***Contingent Bequest*** is a specific or residuary bequest made on the condition of a certain event that may or may not happen. For example:

"In the event that _____ (name(s) of spouse, children, siblings, etc.) shall not survive me, I give such (sum/percentage of my residuary estate) to University Presbyterian Church, currently located at 209 East Franklin Street, Chapel Hill, North Carolina as an unrestricted gift to be used for such uses and purposes as its governing board deems appropriate."

Bequests can be designated for unrestricted or restricted uses. If you designate your bequest as an unrestricted gift you give the Session the flexibility to meet UPC's greatest needs at the time it receives the gift. The first half of an unrestricted gift will be added to UPC's general reserves to meet UPC's needs as identified by the Session, and the remainder will be added to the UPC Endowment to sustain the church's long term future.

If you wish to designate your bequest as a restricted gift, the gift will support the UPC program of your choosing.

For more information about unrestricted and restricted bequests, please contact the UPC Finance Office (finance@upcch.org).



Beneficiary Designations – Retirement Plans and Life Insurance

You may designate UPC as a beneficiary of your retirement plan or life insurance policy. These gifts are not restricted by age and do not affect your finances during your lifetime. Anyone, at any age, can name UPC as a beneficiary of his or her plan or policy. This simply involves the completion of a beneficiary designation form, often available online or by request to the provider of your plan or policy.

For retirement plans, tax-free growth can increase the value of the account over time and help ensure a stable source of retirement income. If your account is not spent down during your lifetime, your beneficiaries will be subject to income tax on the distribution of remaining assets in the account. In addition, depending on the size of your estate and the identity of your beneficiaries, the remaining assets in the account could also be subject to estate tax. Exposure to both income tax and estate tax can result in a combined tax bill of more than 50% of the remaining assets.

You can avoid both income and estate taxes on the remaining retirement account assets by designating UPC as your beneficiary. The assets will pass to UPC, a tax-exempt entity, and the full value of the account will be used to carry out your wishes.

Contact the provider of your retirement account or life insurance policy for a beneficiary designation form and designate UPC as a beneficiary using the example language:

University Presbyterian Church
209 East Franklin Street, Chapel Hill, North Carolina

Giving is an act of gratitude in response to God's great faithfulness. Please prayerfully consider how God may be asking you to give, and consult with a financial professional as needed.

