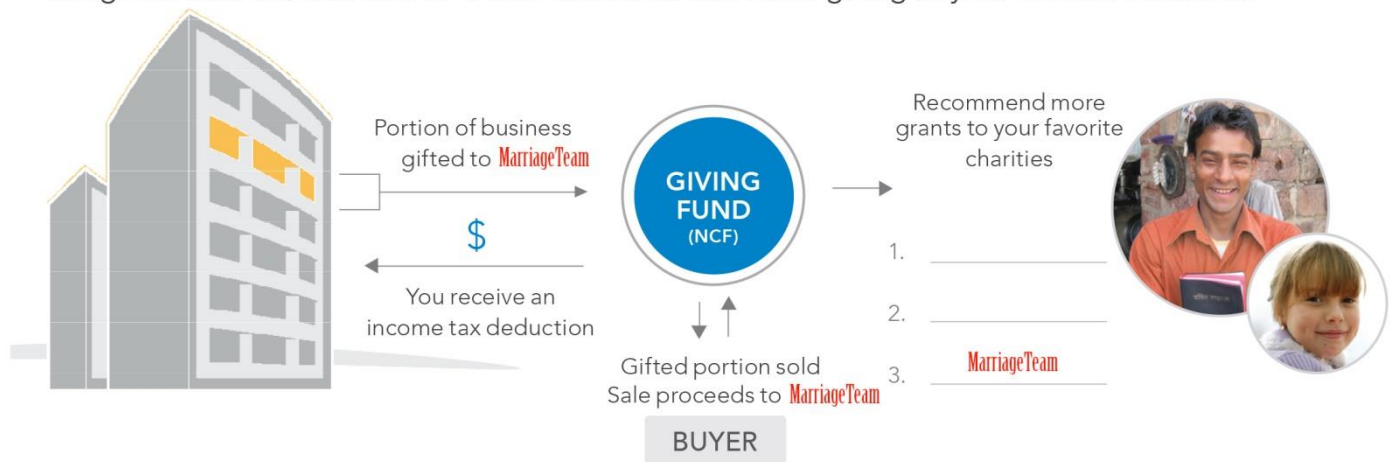


MAXIMIZE YOUR SALE TO MULTIPLY YOUR GIVING

Helping entrepreneurs maximize Kingdom investing by giving before the sale

Only a select group of entrepreneurs ever have the opportunity to sell their successful company for a sizeable gain. Many of these business owners have a heart to give charitably, but don't know where to turn for wise counsel in the midst of a liquidity event. The National Christian Foundation (NCF) has an innovative solution that allows you to donate a non-voting interest in your business to us before the sale, receive a substantial tax deduction, reduce or eliminate capital gains taxes on the gifted interest, and convert those tax dollars into more giving to your favorite ministries.



THE BENEFITS OF GIVING BEFORE THE SALE

- Maximize your liquidity event by preserving the full fair market value of the gifted asset for Kingdom investing
- Avoid or reduce capital gains taxes on the gifted portion, moving more dollars to ministry
- Maximize your sale by leveraging the deductions reserved for non-cash assets (up to 30% of AGI)
- Reduce current-year income taxes via a larger charitable deduction, increasing cash flow

THE RESULTS OF GIVING BEFORE THE SALE

This table shows the impact of giving a 20% non-voting interest in a \$5M C-corp (with a \$100,000 cost basis) prior to the sale.

	Sell then Give	Give then Sell
Capital Gains Tax	\$1,225,000	\$980,000
Income Taxes Saved	\$336,730	\$446,000
Net Taxes Owed	\$888,270	\$534,000
Giving	\$755,000	\$1,000,000

As a result of giving assets vs. giving cash, **\$245,000 MORE** would go to your favorite ministries while increasing net cash flow by \$109,270 for more giving, saving, or investing!

A FIVE-STEP PROCESS FOR MORE GIVING

- 1 Exploration
- 2 Custom Illustration
- 3 Due Diligence
- 4 Closing
- 5 More Giving!

Get started today. Call MarriageTeam at 360-450-3181 or e-mail: doug@marriageteam.org

QUESTIONS FOR DISCUSSION AND CUSTOM ILLUSTRATION

- What type of business entity do you have? (LLC, C-Corp, LP, S-Corp, etc.)
- What is the nature of this business/asset?
- How long have you owned the business?
- What would you estimate to be your cost basis?
- What would you estimate to be the fair market value?
- What amount (\$ or %) would you consider gifting?
- Is there any debt associated with the business? If so, how old?
- Is there a binding contract of sale on the business?

A CLOSER LOOK AT THE TABLE ON PAGE 1

The table below is a duplicate of the one on the first page of this document, along with various assumptions and explanations of the gift of business interest (C-corp stock) to provide more context. Note: The tables shown are for illustration purposes only and include assumptions on tax rates, business types, and structure which may or may not apply to you, so there is no assurance that the savings depicted can or will be achieved. Consult with your attorney, financial advisor, and/or tax advisor to analyze your particular situation before proceeding.

	Sell then Give	Give then Sell
Capital Gains Tax <ul style="list-style-type: none"> • Sell, then Give: You sell the business first, triggering a long-term capital gains tax of \$1,225,000. 25% (20% federal + 5% state) x \$4.9M (\$5M sale price - \$100k cost basis) = \$1,225,000 • Give, then Sell: Since MT (a non-profit) owns the asset at the time of sale, no capital gains tax are owed on the \$1M gifted portion (assumes C-corp; if S-corp, capital gains would be reduced but not eliminated). So \$5M asset - \$1M gift - \$80k remaining cost basis = personal gain of \$3,920,000 x 25% capital gains rate = \$980,000. 	\$1,225,000	\$980,000
Income Taxes Saved <ul style="list-style-type: none"> • Sell, then Give: 44.6% (39.6% federal + 5% state) x \$755k deduction = \$336,730 in income taxes saved • Give, then Sell: 44.6% (39.6% federal + 5% state) x \$1M deduction = \$446,000 (assumes full deduction can be taken against ordinary income) 	\$336,730	\$446,000
Net Taxes Owed <ul style="list-style-type: none"> • Sell, then Give: \$1,225,000 in capital gains tax owed offset by \$336,730 in income taxes saved = \$888,270 in net taxes owed on the sale • Give, then Sell: \$980,000 in capital gains tax owed offset by \$446,000 in income taxes saved = \$534,000 in net taxes owed on the sale 	\$888,270	\$534,000
Giving <ul style="list-style-type: none"> • Sell, then Give: Only \$755,000 goes to Giving since you're giving from the after-tax proceeds (\$5M FMV - \$1,225,000 cap gains = \$3,775,000 x 20% gifted portion) • Give, then Sell: The full \$1M goes to Giving since MT pays no capital gains tax on the gifted portion as a public charity 	\$755,000	\$1,000,000

As a result of giving assets vs giving cash, **\$245,000 MORE** would go to your favorite ministries.

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