

A gift remodeled

Learn how one entrepreneur found an opportunity to give an extra \$1 million to charity

ANDY'S STORY

Andy Andreas was in the midst of another busy day at his growing bathroom remodeling business when a call came through on his cell phone. He answered, and the voice on the other line replied, "Hi Andy, this is The Home Depot. We'd like to talk to you about acquiring your company."



All of the years of countless hours that he'd spent building his company seemed to flash before his eyes. From a start-up in his garage to offices across the nation in Kansas City, Denver, Dallas, and Minneapolis, Andy's company had become one of the fastest growing entities of its kind.

As Andy set up a time to meet with The Home Depot, he thought back to another life-defining moment that had happened years earlier when he was just a teenager ... long before he had ever seen a balance sheet or cared about an income statement.

Andy was attending a Campus Crusade Christmas Conference when Josh McDowell gave him an inspiring admonition to live with purpose. McDowell challenged the participants to write a mission statement for their lives.

So Andy developed this mission statement: Andy Andreas exists to get as many people into heaven as he possibly can before he dies and to have as much fun on the way as possible.

Now, as a successful entrepreneur with the potential for a lucrative buy-out, Andy knew that he was being presented with one of the greatest opportunities for Kingdom impact that he would ever have.

From the beginning, he had made the Lord his business partner and had always considered his company to be an economic engine for funding ministry.

Now the moment he had worked for had finally come, and he was fully prepared to make it pay off for the ministries he loved to support.

Several years earlier, Andy had gone to lunch with Bill High, a representative from National Christian Foundation (NCF). Bill introduced Andy to the concept of gifting his business prior to sale if that should occur. Andy learned a lot that day, but one statement that stood out more than anything else was when Bill said,



Andy's support for Christian ministries, such as seminary training for indigenous pastors, reflects his deep passion for evangelism.

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– Andy Andreas

"If you ever think about selling your company, be sure to call me before you sign anything."

So when Andy first learned of The Home Depot's interest, he called Bill who he knew could develop a strategy for maximizing the charitable aspect of his potential liquidity event. Andy learned that he could benefit from a gift of his business stock which involved several basic steps:

1. Andy gifted a portion of his business stock to his NCF Giving Fund prior to signing with The Home Depot
2. Andy qualified for a tax deduction for the fair market value of his stock gift
3. NCF sold the stock to The Home Depot, and placed the proceeds in Andy's Giving Fund for recommending grants to charity

Because NCF was involved in the sale as a charitable shareholder, the overall capital gains tax was greatly reduced. With Andy's income tax deduction and the capital gains tax savings, he was able to give an additional \$1 million!

During the deal, Andy encountered some surprise from The Home Depot team. He said, "NCF anticipated The

Home Depot's questions, and the sale went smoothly. NCF made sure the gifted stock was non-voting so I continued to make all the relevant decisions."

Andy received some initial resistance from his own personal team of advisors. He says, "There were some strong and cynical naysayers at first. This is new territory for many professional advisors because most of their clients aren't trying to give away 50% of their company. But the reality is few people understand the advance use of tax law like the experts at NCF. But this type of giving is their specialty." He adds, "NCF did not replace my team, but rather they came alongside them to provide research, strategies, and tax analysis to leverage my giving."

Most importantly, Andy says the process taught him an important truth. "Entrepreneurs outsource many things, and that's wise. But one thing that I learned is that you really can't outsource your values. You may have the best advisors money can buy, but you can't count on others to make the decision that you know God is telling you to make," Andy says.

So what advice does Andy have for other business owners who have a heart to give? "If you are a Christian business owner, you should stay up-to-date with NCF on the constantly morphing tax laws. Don't wait. Call NCF today. It pays to be prepared and there are lots of ways you can give from your business whether you are selling or not. NCF offers the greatest strategies."

Andy's business deal took place almost five years ago and there have been a lot of changes in his life and the economy since then. So how does he feel about it today? Andy says, "It was one of the best decisions that I have ever made. The Word says, 'Where your treasure is, there your heart will be.' We don't wander far from our treasure. So I'm glad that I've been able to push mine into the Kingdom. That's where my heart is."