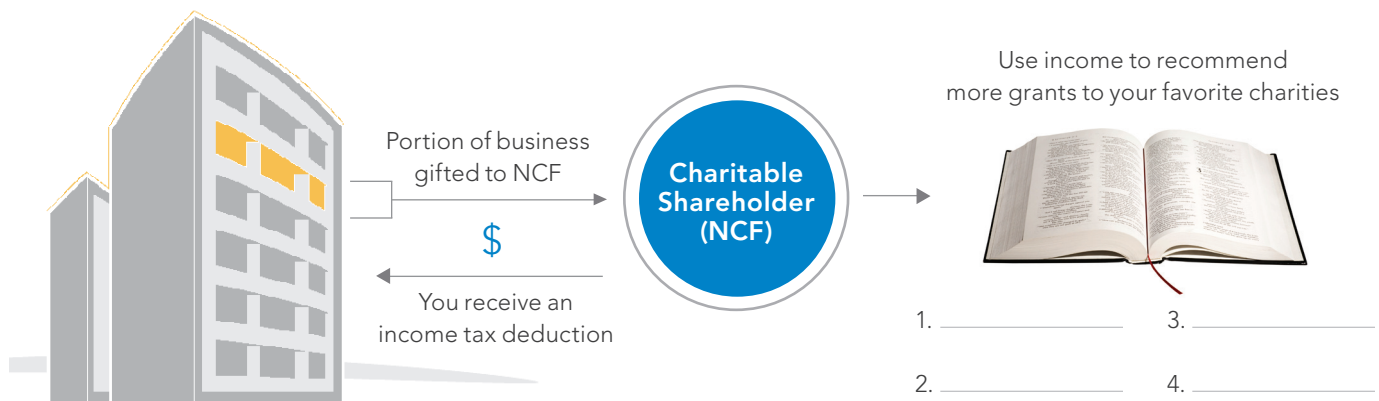


USING YOUR BUSINESS TO FUND MINISTRY

Helping entrepreneurs multiply Kingdom investing by giving non-cash assets

Many business owners have a heart to give charitably but feel hindered by their limited cash flow and the growing taxation of their businesses. At National Christian Foundation (NCF), we have an innovative solution called the “Charitable Shareholder” strategy, which allows you to donate a non-voting interest in your business to us, receive a substantial tax deduction, and still maintain management oversight of your business (through the retained voting interest).



THE BENEFITS OF GIVING MORE WISELY

- Unlock more dollars for ministry now, without waiting for a liquidation event
- Maximize available income tax deductions using non-cash assets (up to 30% of AGI)
- Reduce current-year income taxes, providing increased cash flow
- Avoid or reduce capital gains on the gifted portion if and when the business is sold
- Reduce estate taxes, since a portion of the business is owned by NCF (not your estate)
- Create innovative redemption opportunities (2nd generation, 3rd party, key employee, etc.)

THE RESULTS OF GIVING NON-CASH

This table shows the impact of giving a 3% non-voting interest in a \$10M family business (S-corp), with \$1 million of K-1 income.

	Before	After*
Giving	\$30,000	\$330,000
Lifestyle	\$200,000	\$200,000
Taxes	\$388,000	\$268,000
Net cash flow for giving, saving, or investing	\$382,000	\$502,000

* The “After” column sums \$1.3M because the \$300,000 charitable gift came from the company value, not out of earnings. It represents just the first year, but the gift could be repeated annually for more giving.

A FIVE-STEP PROCESS FOR MORE GIVING

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

Get started today. Visit nationalchristian.com/wisconsin or call 262.796.9910.

CALCULATING THE GIFT

Use this simple calculator to estimate the percent of your company to gift to NCF as the Charitable Shareholder.

(A) Annual income: \$ _____

(B) Annual income (A) x 30% = \$ _____ (to maximize the 30% of AGI deduction for non-cash assets)

(C) Asset's value: \$ _____ (estimate of what company or asset is currently worth)

(D) Percentage of company to gift: _____ % = 30% of income (B) divided by asset's value (C)
(example: \$300,000 divided by \$10 million equals 3%)

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 S-Corp stock in the family business 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.

	Before	After
Giving <ul style="list-style-type: none"> Before: You give \$30,000 in cash After: You continue to give \$30,000 in cash, but you also give \$300,000 more from a non-cash asset 	\$30,000	\$330,000
Lifestyle <ul style="list-style-type: none"> Before and after: You retain the identical amount for your personal lifestyle in both scenarios. 	\$200,000	\$200,000
Taxes <ul style="list-style-type: none"> Before: \$1M income - \$30k charitable deduction = taxable income of \$970k. \$970k x 40% tax (35% federal + 5% state) = \$388k tax liability. After: \$1M income - \$330k charitable deduction = taxable income of \$670k. \$670k x 40% tax (35% federal + 5% state) = \$268k tax liability, freeing up \$120k in additional cash flow. 	\$388,000	\$268,000
Net cash flow for giving, saving, or investing <ul style="list-style-type: none"> Before: \$1m income - \$30k cash giving - \$200k lifestyle - \$388k taxes = \$382k left for savings and investing. After: \$1m income - \$30k cash giving - \$200k lifestyle - \$268k taxes = \$502k left for savings and investing. Your personal cash flow actually goes up the first year due to the \$120k in tax savings (additional \$300k in giving at 40% tax savings), increasing cash flow for more giving, saving or investing. 	\$382,000	\$502,000

Get started today. Visit nationalchristian.com/wisconsin or call 262.796.9910.