



CHARITABLE EQUITY PARTNERSHIP

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MAXIMIZING
YOUR PERSONAL IMPACT
ON THE KINGDOM

Charitable Equity Partnership

Maximizing your personal impact on the Kingdom

“Well done, my good and faithful servant.”

We all desire to hear our Lord say these words. We want to advance the Kingdom as effectively as possible, to “press toward the goal for the prize of the upward call of God in Christ Jesus” (Philippians 3:14). We want to do all we can to fulfill Christ’s Great Commission.



As a business owner, you have particularly great potential to make a significant impact. No doubt you are giving generously, using the engine of your business to drive major contributions to ministries of evangelism, discipleship, and compassion. You’re also certainly doing all you can to keep your business strong and provide for those you love.



But many business owners don’t realize that they have even greater potential, to make an even more powerful difference, to the benefit of both their own business and the ministries they care most about.

It can happen through the GCF Trust (GCFT).

GCFT was established with one purpose, and one alone: to strategically *fund* the Great Commission. One beautifully cost-effective approach is to enable a business owner to release a portion of his or her business, accelerating tax deductions, increasing cash flow for reinvestment, and freeing up money for ministry.

To put it in everyday terms, the GCF Trust is a win-win proposition.

But most importantly, Christ’s call to us — to proclaim the Good News, to make disciples of all nations — is carried out.

Through this remarkable financial instrument, you can save dramatically on taxes.

You can free up funds for building your business.

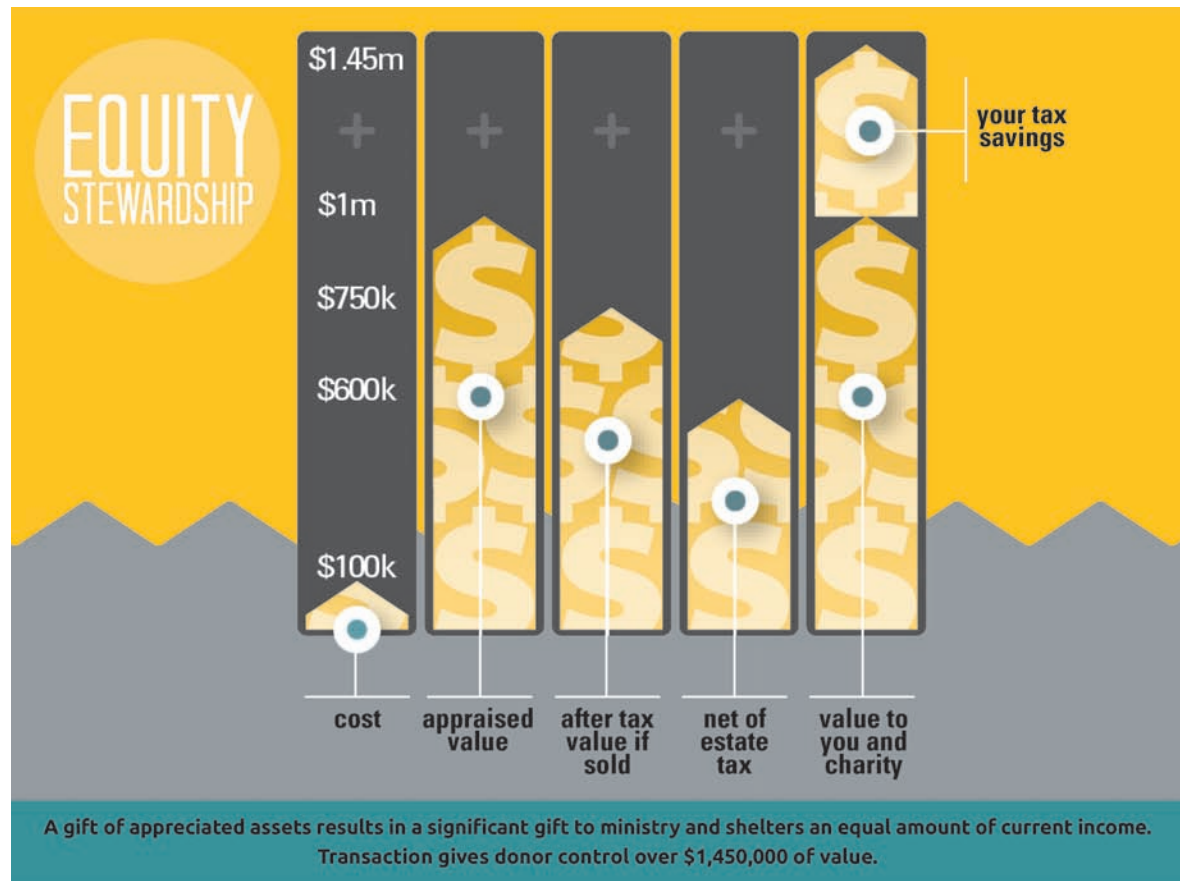
You can gain greater flexibility in pursuing family financial goals.

And you can gain increased freedom to support ministry.

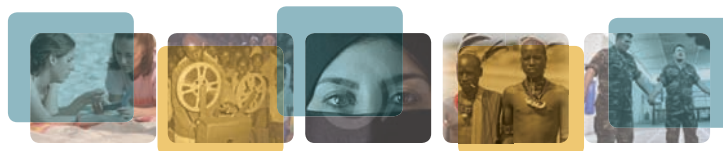
First, look at the true value of non controlling corporate shares. If you sell, the after tax value with today's high capital gains rates, medical plan tax, and state tax the value can be as low as 70% of the Market value.

If you hold it to pass through the estate, the heirs may receive only 60% of value.

The following chart compares these values to using the CEP for leveraging up the value.



Accelerating Kingdom Impact with Business Equity



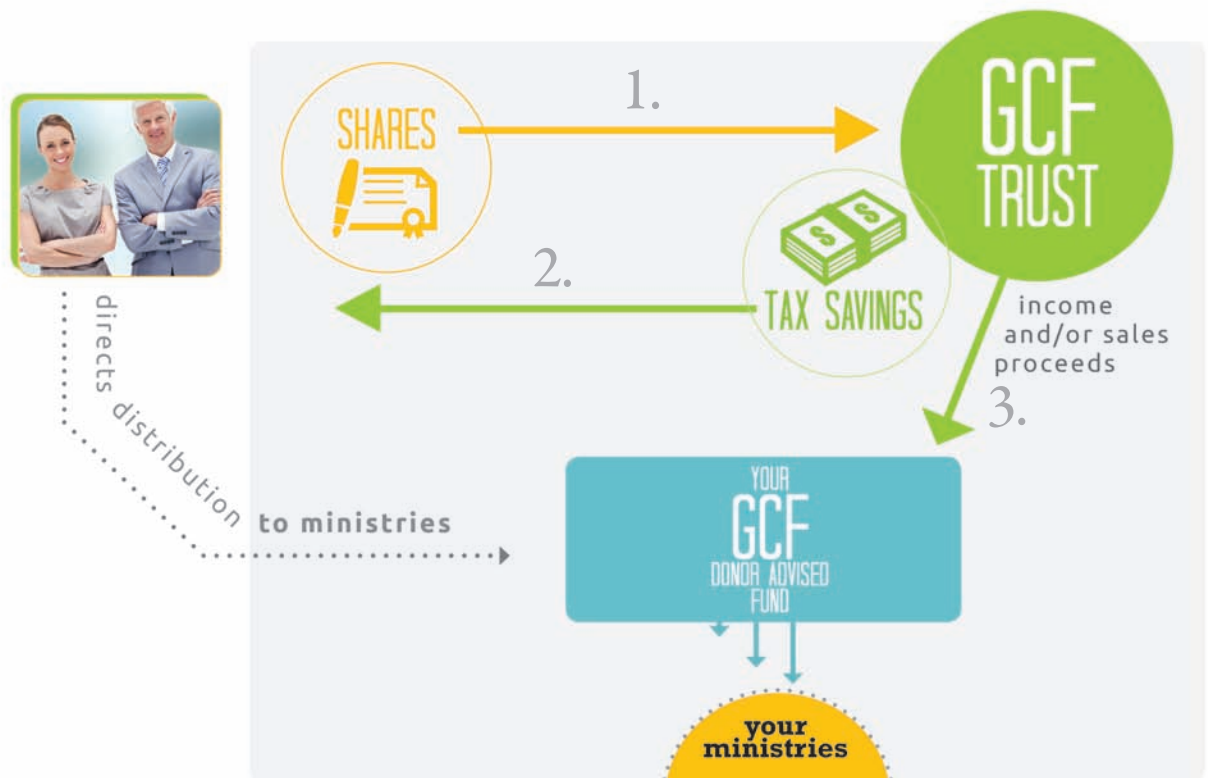
The process is simple enough to be explained in plain English.

The business owner donates a percentage of corporate stock to the GCF Trust. The owner gets a tax deduction — the equivalent of taking money tax-free from the business.

Any profit from the Trust-held shares is taxed at no more than *half* the rate assessed to the business owner. The Trust holds the shares until the business is sold, including the Trust-held shares. (You can sell to whomever you want, including family members.)

You can also reinvest tax-free cash in your business, increasing its value. We set up a Great Commission Fund (GCF) account, where your after-tax proceeds go. Through this GCF, you advise which ministries receive contributions.

Consider a Charitable Equity Partnership along with other planning opportunities we can offer to help you with your stewardship planning.



1. Trade shares for tax savings.
2. Cash flow can be invested in mission projects to take the Gospel to the world or reinvested in the company.
3. Cash flow directed to the shares as profit, or, ultimately the cash proceeds at the sale of the shares to the company, family member, or at your election, to an outside buyer, goes to your Great Commission Fund account. You or your secondary advisors request distributions to official, 501(c)(3) charities.

How the Partnership Works

The deduction offsets tax on an equal amount of current income. This is like taking money tax-free from the business.

<u>Current cash/tax</u>		<u>Proposed Charity Equity Partnership</u>
\$1,000,000	Income	\$1,000,000
(\$100,000)	Cash Giving	(\$200,000) ¹
0	Stock Gift	(\$300,000) ²
\$900,000	Taxable	\$500,000
(\$396,000)	Tax @44%	(\$220,000)
\$504,000	Net Cash	\$580,000 ³

1. Increased current cash gift from tax savings.
2. Stock gifts are limited to 30% of adjusted gross income.
3. \$1,000,000 less \$200,000 cash gift and \$220,000 tax.

This strategy is proven.

Ask Ed Thomas. He owns a real estate development business. He has a passion for fulfilling the Great Commission. He was generous in supporting ministry, and he thought he was giving as much as he could. Maxed out.

But then he learned about the Charitable Equity Partnership. He studied it, he investigated, he weighed the options, he prayed. He decided to go for it.

And he could not be more pleased.

“The Trust is a tool to turn tax dollars into Kingdom dollars,” he says.



Ed Thomas

Now, for the first time, he and his children could give away a minority non-voting interest in their primary business *without losing any control* — and gain “huge tax advantages.” Ed calls them “new dollars” — newly available dollars, thanks to the tax savings — and he pours them into ministries pursuing the Great Commission.

One great advantage, Ed observes: Generous Christian business owners can use the Charitable Equity Partnership to turn *non-liquid* assets (like percentages of business ownership) into “immediate Kingdom dollars ... instead of waiting for a sale sometime in the future.”

Through the Partnership, he says, “I can accelerate the privilege of giving,” and be more involved than ever “in the eternal destiny of the souls of men and women.”

This is the adventure to which we invite you today. For your sake, and for the sake of your family. For the sake of your business. Most importantly, for the sake of the Gospel.

You’ll find details in the succeeding pages.



Exhibit A

Benefits, plain and simple

A business owner/ministry partner offers a percentage of corporate stock to the GCF Trust. The gift creates an immediate tax deduction for the appraised value of the stock.

Benefits to You

1. You receive tax-free cash to reinvest, diversify, or give away.
2. Any cash distributions to the stock owned by GCF Trust avoid your personal income tax calculations and go into your Great Commission Fund.
3. At the sale of the stock, capital gains can be avoided on C-corp, LLC, or LTD partnership interests.
4. Ordinary and capital gains income on S-corp shares are taxable, but at 50% or less of the rate you would normally pay for federal and without state tax.
5. Buy-sell arrangements can be made with family members or with your estate, if desired, to ensure that the entire business is returned to the family.
6. Shares in trust are not estate-taxable.
7. Proceeds (income on sale of stock) are placed in your GCF for distribution to your favorite charities as you or successor advisors request.
8. Administrative and investment fees are very competitive and frequently less than similar-strength organizations.
9. You pay less in taxes.

Benefits to Ministry

1. Your significant gift will keep your preferred ministries strong, and fruit continuing to abound to your heavenly account, even after you are gone.
2. Your gift cannot be contested by family or in-laws.
3. You may immediately flow cash through to ministry each year using these tools.
4. At some time in the future, a sale will transpire through you, your children, or the company, converting these shares to ministry dollars, which will go toward continuing the Lord's work.
5. Paying the smallest amount of taxes possible means more money available to reach and disciple people for Christ.
6. Using effective planning allows you to make a greater impact on the world for Christ while still meeting family needs and goals.

Exhibit B

A Historic Rationale for Charitable Equity Partnerships

Today, we stand at an unprecedented point in history.

The aging of Americans is predicted to cause more than \$10 trillion worth of businesses to be sold or transferred to the next generation in the next 15 years. The capital gains tax on this amount will be \$2 trillion or so. Yet just a *fraction* of this amount would be sufficient to reach the entire world many times over with the Gospel.

A Cornell University study predicts \$45 to \$100 trillion will pass through the estate tax system over the next 15 to 50 years. The stark reality is this: Those who *today* support most of the ministry currently taking place will *no longer be here* to fund ministry — unless they take steps to endow their giving while they are living.

Thankfully, the GCF Trust now offers a number of planning opportunities which enable committed Christians to give at maximum levels during their lifetime, and to *keep on giving* even afterward.



The most compelling planning tool for many business owners: the Charitable Equity Partnership.

This planning creates:

1. Cash flow to reinvest in your business.
2. Cash flow to diversify into new business.
3. Cash flow for ministry.
4. A way to accelerate tax deductions *and* ministry impact for God’s kingdom.

A Final Word

You can see how time compounds the value of money, but think of the concept of *spiritual compounding*. If we wait to invest in the Gospel, we delay the possibility of many people who could come to Christ *today*. We also delay the evangelistic “ripple effect” — reaching those families, friends, and others who could be impacted by these new converts, and countless more in *their* subsequent outreach.

We do not know when the next D.L. Moody, Bill Bright or Billy Graham will come to Christ, someone who will have an incredible compounding effect for the Kingdom. But we do know that investments made today have a *synergy* that compounds *more* as years go by.

A Charitable Equity Partnership has tremendous ministry potential — not to mention economic value to you and your family. We welcome the opportunity to discuss the possibilities with you. We realize that your giving decisions are not driven primarily by tax equations; but if you desire to make a greater impact for God’s kingdom by maximizing your investments through tax savings, we would be honored to help you.

Join us as we continue to respond to Dr. Bright’s challenge: “Come Help Change the World.”

Please feel free to contact The Cru Foundation via info@crufoundation.org or (800)449-5454. Thank you. God bless you.



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