

NON-CASH GIFTS

A non-cash gift is any contribution made to TGM which is not made in cash or by check. Examples of a non-cash gift are:

Computer, office equipment or supplies

Literature and books

Automobiles

Tools and/or building supplies

It is important when you consider making a non-cash gift that you understand that for legal and tax reasons, all gifts to Tri-Grace are under the control of our Board and subject to our policies and discretions. Tri-Grace, however, honors the designations of our partners when the purpose of the gift is carefully identified. We will see your gift is properly applied, and your receipt will include this information.

Gifts of equipment or other goods used for personal and not ministry purposes are considered personal gifts. To be deductible, a non-cash gift must be an item which could be purchased with ministry funds and the use of it is controlled by ministry policies.

Some non-cash gifts are not deductible for other reasons. The IRS rules regarding non-cash gifts can be complex and confusing. Be sure to contact the IRS if you still have a question regarding the rules for a non-cash gift you are considering.

Professional Services

Professional services can be provided by, but are not limited to a doctor, dentist, lawyer, mechanic or carpenter. We appreciate the generosity of those who provide such services, but tax rules do not permit a deduction for the professional's normal service fee or charge. Only out-of-pocket costs related to providing the services may be deducted. For example, a mechanic may change the oil in a missionary's automobile. The mechanic's fee for such a service is not deductible, but the oil, oil filter, or other materials placed in the automobile are deductible.

Reduced-Price Merchandise or Property

You may charge a missionary reduced prices for merchandise or materials. The "bargain-sale method" is used to determine the value of such a gift. Subtract the difference between the fair market price and the sale price. You are permitted to report the difference as your gift amount. Special rules apply if you are a dealer in the bargain sale property. Keep accurate financial records from the vendor from which you purchased the materials and keep a copy of the writing that acknowledges the "actual" sale price paid by the missionary. Although TGM will issue a letter acknowledging the transaction, that letter will only acknowledge the price paid by the staff member and not evidence the amount of your gift.

Rent-Free or Reduced Housing

You may not deduct reduced rent or rent-free housing you provide to an individual or family. You, however, may deduct out-of-pocket expenses for the property you are renting. For example, you may deduct lawn care, snow removal, property taxes, gas or heating costs, repair costs, etc. Remember to keep accurate financial records substantiating your out-of-pocket expenses. If you are unsure about the validity of your deduction, check with your accountant or tax advisor. TGM is grateful when our missionary family receives such kind and gracious support, but we cannot give a receipt evidencing your gift.

TGM cannot issue an official cash receipt or declare a value for any contributed property or materials. In accordance with IRS regulations TGM will provide a "gift-in-kind" letter of donation used to acknowledge receipt of your gift. However, the IRS rules require that you provide adequate substantiation for the value of your gift. In some cases a written appraisal from a person or entity with expertise in calculating the value of such property may be requested.

How do I obtain a gift-in-kind letter of donation?

In order for TGM to supply you with a gift-in-kind letter of donation, you will need to provide the following information to Kim Jones at kim@trigrace.org:

1. Your name and address
2. Description of donated property: Be specific. Provide the age/year, mileage, model, vehicle ID number or serial number and other special identifying information. Include the condition of the contributed property when appropriate.
3. Date you delivered the property to the staff member or ERM.
4. Name of missionary and/or purpose for which the property will be used in the missionary's ministry.
5. If you provide an estimated value, TGM cannot list the value in its letter.

What other types of non-cash items can I give to Tri-Grace?

Stocks, bonds, and securities can be contributed to TGM.

Before you make your contribution, please seek assistance from your accountant or tax advisor.. It can be costly if you proceed without wise counsel and planning. It is important that you plan prudently so that you can take full advantage of the tax incentives allowed by the IRS.

For example, you can contribute stocks to TGM, but you should investigate the best procedure to use. Normally it would be best for you to send the unendorsed security in its own individual envelope. In a second envelope, you should also send a signed stock power (a stock power can be secured at your local brokerage firm or securities office). If you sold the stock in your name and donated the proceeds to TGM, you would be required to pay taxes on the recognized income. If you give the unendorsed security with a signed stock power, you would not be responsible for the taxes and the full value of the stock would be a deduction.

Our staff is always excited to hear the unusual, creative, and innovative ways God uses to help provide financial needs for our missionaries.