



"Give to God What Belongs to God" Parish Stewardship 2002

By Bob Pfundstein
Director of Parish Stewardship

In the Gospel, Jesus says, "Give back to Caesar what belongs to Caesar - and to God what belongs to God." When we look from the perspective of our faith, there is little that we have that has not been given to us by God. While we can easily justify "our" possessions as being owned and earned by us, we need to review our efforts as good stewards of the gifts God has given each of us. We can then extend that giftedness to the community of believers that makes up our parish.

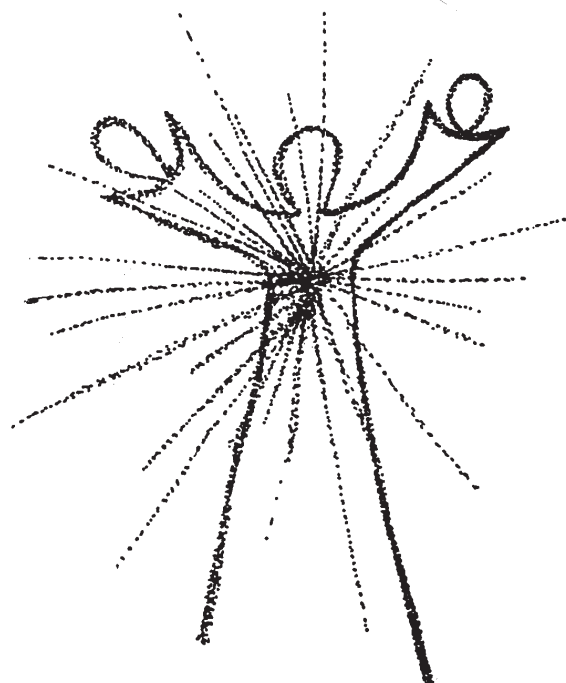
Are your parish stewardship efforts looking for the proverbial "shot in the arm"? Do your volunteers need to hear a renewed and clearer call to ministry? Do your Sunday income statistics look flat or even negative? If you responded "yes" to any or all of the above questions, it's time to renew your parish efforts for 2002 and beyond. Based on the information gathered during the 2001 diocesan-wide discussion regarding combining Time, Talent & Treasure for the 2002 calendar year, the Office of Stewardship Development is finalizing plans to help you and your parish renew your stewardship appeals.

In February, Bishop Doran made it clear that the proposed plan held merit for the future. He encouraged our office to offer planning and assistance to any parishes who chose to become "pilot" parishes for 2002. Coming in September, a number of parishes will host regional meetings to put their individualized parish plan together in conjunction with the materials prepared by the Office of Stewardship Development.

The plan of action includes stewardship education through homilies, lay witness talks, and informational brochures. It also includes opportunities for parishioners to volunteer their time & talent to parish ministries and beyond. There will also be a chance to pledge financial support to the parish in order to keep the regular income able to meet the needs of the parish. Stewardship of assets will be included in the process with a focus on wills-awareness and end-of-year giving. There will be strong encouragement to evaluate the efforts and keep some statistical information to compare to past

and future stewardship efforts.

While the "pilot" parishes have made a conscious decision to be part of this process, all parishes are



invited to share in any way they see the process intersecting with their stewardship appeals. The materials will be handed out at the regional meetings and should adapt well to any parish schedule. Contact Bob Pfundstein at 815/964-6711 for more information about Parish Stewardship 2002. †

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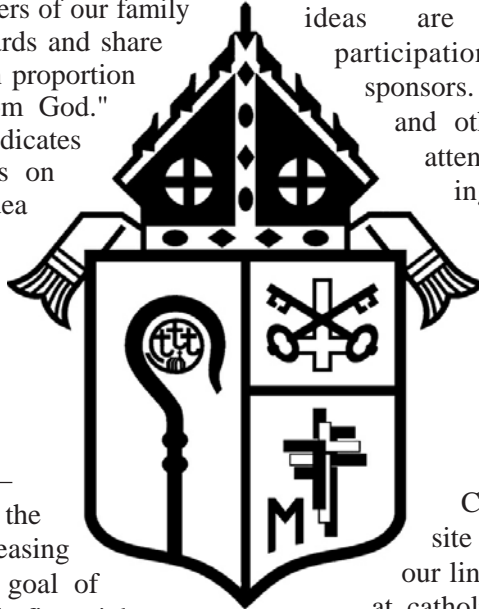
Sharing

THE INTERNATIONAL CATHOLIC STEWARDSHIP COUNCIL (ICSC)

By Bob Pfundstein
Director of Parish Stewardship

The International Catholic Stewardship Council (ICSC) "promotes the concept that stewardship is not simply an appeal for funds; it is a way of life. Through its seminars, publications and annual conference, ICSC emphasizes the point that all members of our family of faith are called to be Christian stewards and share their gifts of time, talent and treasure in proportion to the blessings they have received from God." This statement from the ICSC web site indicates the importance the organization places on stewardship being a spiritual-based idea which shapes the way we live our lives.

On a more practical level, the ICSC offers the following quote, also found on their web site: "Through its programs, the International Catholic Stewardship Council offers practical steps—and an overall vision—that can lead to untold future benefits for the Church. ICSC offers blueprints for increasing diocesan and parish support with the goal of providing faith communities with a stable financial base for the future. But, more importantly, the Council's work is aimed at empowering Catholics to live their faith as Christian stewards who generously offer financial and volunteer support to their Church as a means of thanksgiving to God."



I believe, from my own personal experience, that the membership of the ICSC strives to uphold the spiritual, ethical, and practical stewardship guidelines established in the Gospels. I have found that many good ideas are shared with others through participation in the events that the ICSC sponsors. A number of pastors, business managers, and other parishioners have benefitted from attending the annual conference. By registering through the Office of Stewardship Development for the Diocese of Rockford, many have enjoyed the benefits of the conference and the benefits of our membership as a Diocese.

If you would like to learn more about the International Catholic Stewardship Council and its history, log on to our web site at stewardshiprockford.com and click on our links page or access their web site directly at catholicstewardship.org. Either way, learning more about stewardship is personally rewarding and can bring a better understanding to how you share in the ministry of your parish through volunteering your time, talent, and treasure. You are always welcome to contact our office for resources and help in starting or growing parish stewardship. †

ICSC Sponsored Events

Annual ICSC Conference

October 27 - 30, 2002

Toronto, Ontario, Canada

Sheraton Centre Toronto Hotel

Contact our office for membership pricing

October 5 - 8, 2003

Chicago, Illinois

Hyatt Regency

Institute for Stewardship and Development

Winter

January 27 - 31, 2003

San Pedro Center

Winter Park, Florida

Summer

July 21 - 25, 2003

San Damiano Retreat Center

Danville, California

“IT IS RIGHT TO GIVE HIM THANKS AND PRAISE”

Diocesan Stewardship 2002

By David J. Hougan
Director of Office of Stewardship Development

During the first two months of Diocesan Stewardship 2002 these are the results:

Goal: \$5,727,888
Donors: 18,621
Pledges: \$3,568,455 or 62.3%
Average gift to date: \$191.64
Parishes at goal by the pledges of their people: 12

Comparing these results to Diocesan Stewardship 2000 at this same time, the 2002 appeal is significantly behind in all categories:

- 4,500 less donors
- \$900,000 in pledges
- about 20 less parishes at goal

Those parishes at goal are: St. Mary, Maple Park; St. Nicholas, Aurora; St. Gall, Elburn; St. Mary, Gilberts; Holy Spirit, Roscoe; SS Peter and Paul, Rockford; St. Mary, Durand; St. Patrick, Irish Grove; SS Peter and Paul, Virgil; St. Monica, Carpentersville; St. Mary, Huntley; and Christ the Teacher, DeKalb. Congratulations to these parishes for a job well done!

Follow-up phase:

The appeal is now moving to the diocesan follow-up phase. Like no other year, the follow-up phase must be more successful than it has ever been. Parish leaders need to strongly support these follow-up efforts and encourage their people's participation. Sample bulletin announcements were sent to parish leaders to be used in July, August and September.

In mid-July, 70,000 letters and pledge cards were sent to those who have not participated in the appeal to date. During the month between mid-August and mid-September, those members of the Diocese with a

giving history and who have not made a pledge up to that time will be called and asked to support the diocesan church.

Time and Talent

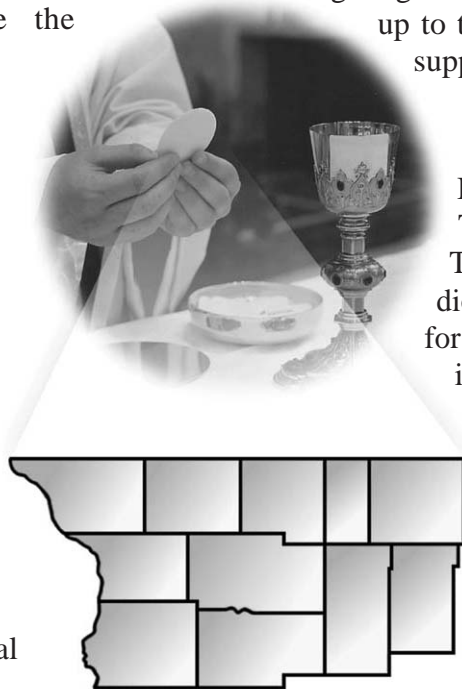
In the May 3 and June 14 editions of The Observer, the diocese published its Time and Talent sign up sheet. Thirteen diocesan ministries posted various ways for people to pledge their time and talent in some form of diocesan activity.

Returned sheets from volunteers have been distributed to the appropriate diocesan director. The directors have contacted each respondent with a letter. Anyone interested who has not responded can do so by contacting the Office of Stewardship Development at

815/964-6711.

Gifts of Stock, Mutual Funds and Grain

Gifts of appreciated stock, mutual funds and grain are excellent ways to give. These types of gifts are valued on the date of the gift. The donor receives full tax deduction according to IRS rules and does not have to pay any capital gains taxes. People wishing to use appreciated stock or mutual funds to honor their pledge indicate that intention on their pledge card. The Office of Stewardship Development sends them an instruction sheet so that they may electronically transfer the stock from their personal account to the diocesan account. Farmers give gifts of grain by transferring ownership to the Diocese of Rockford. The Diocese sells the grain on the date of transfer. The farmer receives a tax deduction for the value of the grain on the date of transfer. In all cases, the net value of the transfer is applied to the donor's pledge. †



HOW A BARGAIN SALE WORKS

By John Sentovich
Director of Planned Giving

Admittedly, bargain sales aren't the most popular type of planned gift. At least that has been my experience in the five years I have been doing planned giving work in the Rockford Diocese. Nevertheless, these gifts do occur occasionally and our donors should be made aware of this gift-giving opportunity.

A charitable bargain sale is usually defined as "a transfer of property to a charitable organization for less than its fair market value" (*Practical Guide to Planned Giving*, 2000, p. 234). There must also be donative intent (a sincere desire to make a gift to benefit charity) in order for the bargain sale rules to apply. A bargain sale is divided into two components: part gift and part sale. Under current law, the donor is entitled to a charitable deduction for the gift portion, up to 30% of adjusted gross income, with a five-year carryover for any excess. There is no deduction for the sale portion.

If the property has appreciated in value, the donor must allocate the cost basis in the property between the gift portion and the sale portion, *and will be deemed to have taxable gain on the appreciation allocable to the sale portion*. In other words the donor will still have to pay some capital gains tax on this transaction, but not as much if he or she were to sell it at full market value.

Most bargain sales are done with real estate. As with any gift of real estate, the donor (and the parish or school) should first refer to the Diocesan Gift Acceptance Policy before making the gift. A qualified appraisal must be done along with environmental studies, both typically paid for by the donor. Normally the Diocese recommends that

property be sold as soon as possible when the property is transferred. Bargain sales benefit the donor in that he or she receives cash – often, enough to recover the cost basis in the property; the donor also gets a charitable deduction, and at the same time can make a large gift to his or her favorite parish or school. †



Bargain Sale Illustration

Mrs. O'Leary owns real estate worth \$100,000, for which she paid \$30,000 many years ago. She wants to give the property to your parish, but cannot afford to part with its entire value. She wants to keep \$50,000 – half of the potential sale proceeds – and give \$50,000 in value to your parish.

Options:

1. Mrs. O'Leary could sell the property, pay the capital gains on the \$70,000 appreciation, and make a cash gift to your parish. Her capital gains tax on the \$70,000 at the current rate of 20% would be \$14,000, substantially reducing what she can give to the parish.
2. Another option is a bargain sale gift. Here is how it would work under current law:

Mrs. O'Leary receives \$50,000 from your parish (or the Diocese)

She can deduct the contributed portion of \$50,000 on her income tax return.

She has reportable capital gain of \$35,000 which, at the 20% rate, would produce a capital gains tax of \$7,000. (The reportable gain is determined by multiplying the total gain of \$70,000 by the sales price of \$50,000, and dividing the product by the fair market value of the property which is \$100,000).

$$\frac{\$70,000 \times \$50,000}{\$100,000} = \$35,000$$

Her reportable gain is only about one-half of what it would have been if she had sold the property outright. Her \$50,000 charitable deduction will more than offset the \$35,000 reportable gain, so she saves income taxes because of the bargain sale transaction.

The bargain sale option allows Mrs. O'Leary to save income taxes, reduce capital gains taxes, increase her cash flow, and make a meaningful gift to her parish all at the same time! For more information about bargain sales or other planned giving ideas, please contact the Catholic Foundation Office at 815/964-6711. †