



Planned Giving The United Church of Canada

Gifts of Stripped Bonds

A gift of a stripped bond is a gift that grows over time. You put an amount in place now that will grow into a much larger gift at maturity.

A stripped or zero-coupon bond is a bond that has been divided into two parts. An investment dealer has “stripped” the coupons from the bond and sold them, leaving the principal portion to be sold at a discounted price. You purchase the principal portion of the bond, which grows at a reasonable rate of interest over a fixed period of time.

You can give a stripped bond directly to the church or donate the money for the church to buy one.

The charitable donation receipt will be issued based on (i) the value of the bond at the time the gift is made, or (ii) the amount of money you donate to the church to buy the bond.

Benefits of a Gift of Stripped Bonds

- You delight in the joy of giving.
- The church will receive a substantial gift at a modest cost to you.
- The gift will probably mature in your lifetime, allowing you to see your investment in mission and ministry at work.
- The gift will not affect your estate.
- It will yield an immediate tax benefit to you.
- The church knows exactly when the bond will mature and what the maturity amount will be, allowing it to plan effectively.

Examples of Generosity

Trinity United Church has just upgraded its facilities but realizes that it will need to do more upgrading several years in the future. They have a detailed plan for the maintenance of their buildings for 10–20 years in the future, and they have a rough idea of what the maintenance will cost. They are not sure where the money will come from when these projects come due.

Trinity's solution? The congregation invites donors to purchase stripped bonds as future gifts to the congregation. By staggering the maturity dates on these bonds, they can arrange to have fixed amounts arrive at fixed dates in the future.

Ms. T. gives \$5,000 cash gift to the church to purchase a 15-year stripped bond. She receives a charitable donation receipt for \$5,000. At maturity, the church receives a gift of \$10,000. Yields vary with current interest rates. Ask your broker for current rates.

What a Donor Says...

“The United Church of Canada, through a number of congregations, has nurtured me in the faith and supported me in my long journey for ordination. I know how much the church relies on the Mission and Service Fund to enable ministry to happen for people Jesus would see on the fringe of our society. Because of land where fertile seeds were sown, I am able to give a donation to the church, with God’s blessings.”

—Dee McEachern, Niverville, Manitoba

Mr. M., 60, has a fully paid insurance policy that he no longer needs and would like to donate to the church. The fair market value of the policy is \$6,000. At age 60, he has a 25-year life expectancy. This means the church could wait 25 years for this gift. Instead, Mr. M. cashes the policy and gives its cash surrender value of \$5,000 to the church to buy a 20-year stripped bond. The donor receives a charitable donation receipt for the gift of \$5,000. At maturity, the church receives a gift of \$15,000. Again, yields vary with current interest rates.

For more information on making a gift of stripped bonds, please contact your Regional Gift Planner whose card appears in this folder or call The United Church of Canada at telephone: 1-800-465-3771 ext. 2027; e-mail: giving@united-church.ca

See the United Church website at:
www.united-church.ca/getinvolved/donate/howto/planned
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