Charitable Giving Strategies

1. **Donate appreciated property**

   Donating stock, mutual funds, or real estate that has grown in value may allow you to contribute the full value of the property without paying tax on the appreciation.

   - The potential tax deduction is equal to the market value of the property.
   - The taxable gain in the property donated is avoided.
   - This must be a direct transfer. Contact the church Treasurer for transfer instructions.

2. **Donate through your IRA account**

   If you are required to take a minimum distribution (RMD) from your IRA account each year, there may be benefits to making a Qualified Charitable Distribution (QCD) directly from your account.

   - A QCD is a donation from your IRA account to the church that can satisfy your RMD requirement.
   - It allows you to avoid paying tax on your RMD up to the amount donated.
   - The QCD amount is limited to $100,000 each year.
   - Only those with RMD requirements qualify for the QCD.

3. **Donate through your estate**

   Consider leaving a portion of your estate to the church through your will or trust.

   - This allows you to make a future donation to the church while continuing to use your assets during your lifetime.
   - The church can also be designated as a beneficiary on your annuity or life insurance policy.
   - Consider donating taxable assets (IRAs and other retirement plans) to the church while leaving non-taxable assets to your beneficiaries to optimize tax savings to your beneficiaries.
   - Review and update your estate plan documents (trusts, wills, and beneficiary designations) regularly with your estate professional to look for tax savings opportunities.

4. **Bunch multiple-year donations into a single year**

   People who are unable to deduct their charitable contributions, because they don't have enough deductions to qualify, may benefit from a strategy of bunching their donations into a single year.

   - Grouping your contributions may make it possible to itemize your deductions in some years while continuing to take the standard deduction in other years, thus maximizing the tax benefits of giving.
   - A Donor Advised Fund can be used to accomplish this easily (see below).

5. **Consider using a Donor Advised Fund or a Charitable Trust**

   A Donor Advised Fund (DAF) is used to make a donation now while retaining an unlimited time to decide which charities to support in the future.

   - A DAF is helpful when you have a larger taxable event and want to make a reciprocal donation but don't want to give the entire amount away all at once.
   - It offers you the ability to take the tax deduction today while affording you additional time to make a thoughtful donation in the future.

   There are many different types of Charitable Trusts. In general, the charity either receives trust assets or earns income from the trust, and the donor receives a tax deduction. These should be explored with a professional.

<u>Important note</u>

This document is only intended to provide ideas or options for you to consider in consultation with your own investment and tax professional. In no way does this document attempt to provide any advice or recommendation for anyone's specific situation.