Maximize the Benefits of Your Giving

QUALIFIED CHARITABLE DISTRIBUTIONS FROM YOUR IRA

Have your cake and eat it, too.

More than ever, financial advisors are recommending to their clients aged 70 1/2 years and older to make their charitable gifts out of their IRAs. The great advantage to the qualified charitable distribution (QCD) is that although it counts toward your required minimum distribution from your IRA, it is not included in your taxable income.

You can send up to $100,000 from your IRA directly to a charitable organization and not have any of that included in your AGI. That has a lot of potential perks that could result in lowering your federal income taxes, state income taxes and even Medicare Part B premiums.

A QCD cannot be made to a Giving Fund, also known as a Donor-Advised Fund, but it can be made to other types of funds that Cobb Community Foundation (CCF) offers.

As with any financial decision, check with your advisor to see if the QCD is right for you.

BUNCHING CHARITABLE CONTRIBUTIONS

Gift the same amount with different timing for lower taxes.

With a $24,000 standard deduction for married couples filing jointly, it may make sense to double-up or even triple-up on your charitable contributions, giving what you would give over two or three years in one year, and then skipping the gifts in years two and three. Depending on your situation, you may be able to find the perfect mix of itemizing in one year and taking your standard deduction in others to lower your taxes while keeping your total giving over the same period of time at the same level. And the best part? You can use a Giving Fund and potentially increase your charitable deduction even more while keeping not only your total contributions the same, but also making sure your charitable beneficiaries receive their gifts on the same schedule you already put in place. Talk to your advisor for more information.

CASH GIFT ALTERNATIVES

The potential benefit from other gift options.

Instead of giving cash, you might want to give appreciated stocks, bonds or mutual funds that you have owned longer than one year. With these gifts, you can take an immediate tax deduction for the full fair market value of the security, and the charitable organization can sell the security without paying a capital gains tax.

You might also consider a gift of real estate. While the receiving charity may request a small amount of liquid assets to accompany the gift (in order to cover property taxes and insurance until the property sells), you can deduct the fair market value of the real estate plus the additional liquid assets.

With CCF, making an impact in your community just got easier. For more information, contact your financial advisor or the CCF team. Email CCFTeam@cobbfoundation.org or call 770.859.2366.