Year-End Giving Strategies

• Contributions to charities such as Marion Community Foundation must arrive by Dec. 31.

• For gift fund contributions, the charitable fund must be created and deposit completed before calendar year-end to qualify as a 2020 gift.

• Review your itemized deductions. If your itemized deductions are less than the standard deduction, your charitable contributions are not reducing your tax bill.

  Evaluate “bunching” a couple years’ worth of charitable contributions into the current year. This may increase your itemized deductions above the standard deduction threshold so you can receive a tax benefit for those gifts. Consider utilizing a donor advised fund for “bunching” your charitable gifts.

• Evaluate the tax benefits of gifting long-term appreciated stock versus cash.

• If you are age 70-1/2 or older, consider the potential benefits of a qualified charitable distribution (QCD). A QCD allows you to make a tax-free gift directly from your IRA -- up to $100,000 per year -- to qualifying charities, including Marion Community Foundation. QCDs count toward satisfying your required minimum distribution (RMD) without the federal tax consequences of being included in your adjusted gross income (AGI).

  QCDs are still allowed in 2020 even though RMDs are not required this year.

Two new charitable opportunities are available in 2020 as a result of the CARES Act. These apply only to cash gifts made to qualifying charities (i.e., excludes a donor advised fund).

  You may deduct up to $300 in addition to your standard deduction
  or
  You may deduct up to 100% of your AGI, if you itemize your deductions.

• If you expect to realize significant gains this year from investment transactions or a sale of a business or real estate, consider implementing a charitable strategy to reduce your tax bill on these gains. We would be happy to meet with you and your financial advisor to discuss a variety of strategies to consider.

Gift Giving to Help Increase Tax Savings

Marion Community Foundation | 740-387-9704