Ways to Donate through your Financial Institution

Information courtesy of KDP Certified Public Accountants, LLP
Summary of 2018 Tax Law Changes and Charitable Activities

1. Bunch Contributions
Taxpayers should consider bunching contributions. This means to give a large amount in one year and use the standard deductions the next year or two. One of the best ways to do this is to contribute a large amount to what is known as a donor advised fund.

Donating Appreciated Assets: Donor Advised Funds (DAF)
A donor advised fund is a charitable investment account that provides a simple, flexible and efficient way to manage your charitable giving. You and your family can enjoy immediate and maximum tax advantages, make grants on a flexible time table, build your charitable legacy, and increase your philanthropic funds for grant making.

-- Benefits of DAF
Few charitable giving options provide the versatility and tax efficiency of a donor-advised fund. Donor-advised funds provide many significant benefits. As a donor you can:

   a. Maximize Your Giving Power
      Your contributions to the fund are invested under a professional management group, providing them with the ability to compound tax-free over time—enhancing your ability to make even more grants to charity in the future.

   b. Enjoy an Immediate Tax Reduction
      Your contributions to the program are fully tax-deductible in the year they’re made. Unused tax deductions may be carried forward for up to five additional years.

-- Donate Appreciated Assets Tax-Free
When you contribute appreciated assets to the program, you can deduct their full fair market value from your taxable income—and avoid capital gains liability. This might include securities, improved or unimproved real estate, art or collectibles.

-- Separate Tax Planning and Charitable Decisions
You can realize immediate tax advantages now and make grants to charity later. These programs eliminate the pressure of having to select and donate to a charity by year-end.
-- Simplify Recordkeeping
Donated Advised Funds programs provide consolidated reporting and record keeping. You receive quarterly account statements, gift receipts and tax reporting information.

-- Give Anonymously
You may also choose to make charitable grants anonymously, keeping your name and personal information confidential.

-- Establish a Legacy of Giving
You’re able to name account advisors who have the ability to recommend grant from your account, and select successors who can also recommend grants to continue your charitable legacy beyond your lifetime.

2. Qualified Charitable Distributions
Taxpayers may make direct IRA distributions to charity without having to include the distribution in gross income. These distributions are generally referred to as qualified charitable distributions (QCD). In particular, a taxpayer who is at least age 70 ½ may contribute up to $100,000 each year directly to charity. Any QCD in excess of this $100,000 limit in included in income in the same manner as any normal distribution. If the taxpayer files a joint return, the taxpayer’s spouse can also have a QCD and exclude up to $100,000.

If you have any questions on these tax law changes, including donations to nonprofits, please contact:

KDP CPA’s LLP
Rob Hague
541-773-6633
RHague@kdpllp.com