

# Alternative Contribution Methods



## Qualified Charitable Distribution (QCD)

A Qualified Charitable Distribution (QCD) allows IRA holders, age 70 ½ or older, to donate to a qualified charity from their Traditional or Roth IRA (including inherited) tax-free.

### Requirements

- The donating IRA holder must have attained age 70 ½ on or before the date the QCD check is issued. If an inherited IRA, the beneficial owner must have attained age 70 ½ or older.
- The funds must be issued directly to Harvester Christian Church from an IRA (Individual Retirement Account).
- The amount cannot exceed \$100,000 annually, per donor. Consult your tax professional to determine the tax-free amount you can withdraw.
- Checks must be issued by December 31 in order to apply to the current calendar year.

## Gifts of Appreciated Securities

Giving appreciated securities to Harvester Christian Church instead of cash may provide significant tax benefits to the donor. By gifting appreciated securities such as stocks or mutual funds *that have been held for one year or longer*, the donor may avoid paying capital gains tax on those securities while still receiving income tax deductions for the full value of the donated securities.

Here's an example of how a \$10,000 gift of appreciated securities with a cost basis of \$5,000 may provide tax savings to you, as compared to a cash gift of the same amount:

	Give Appreciated Stock	Give Cash
Value of Gift	\$10,000	\$10,000
Federal Income Tax Savings*	(\$3,700)	(\$3,700)
Estimate of Avoided Capital Gains Tax	(\$740)	\$0
Actual Cost of Gift	\$5,560	\$6,300

*\*This table assumes the donor itemizes deductions, held the securities for more than a year, and is in highest 2020 tax bracket (37%). Further savings on state income taxes are also possible. Your own situation will of course vary from this example. Consult your tax advisor.*

## Impact of 2020's CARES Act on Charitable Giving

- **Required Minimum Distributions:** All RMDs from IRAs have been waived for 2020.
- **Deduction of Cash Contributions:** Ability for an above-the-line deduction of up to \$300 of cash contributions to charities, regardless of whether the individual itemizes deductions.
- **Changes to Limits on Charitable Contributions:** For those who itemize their deductions for charitable giving, the 60% of adjusted gross income limit for cash gifts is suspended for 2020.

If you are interested in making a Qualified Charitable Distribution or gift of appreciated securities, please contact our brokerage representative, Jim Medlin. His phone number is 636-288-1187 and his email address is [jimmy.medlin@raymondjames.com](mailto:jimmy.medlin@raymondjames.com).

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