

Charitable Donations & Gifting

Which option is right for me?

	Qualified Charitable Distribution (QCD)	Donor-Advised Funds (DAFs)
How are gifts made?	Direct to Charity as a tax-free distribution from your IRA.	<ul style="list-style-type: none"> Irrevocable contributions of cash or appreciated securities made into an investment account that is sponsored by a public charity. Contributions can be invested with subsequent tax-free growth available for grants. Anonymous grants can be made in future years. Grants can only be made to another public charity or private operating foundations. Grants to individuals are not allowed.
How much can I give?	Up to \$100,000 per person in 2023.	No limit on donation.
How do I qualify?	If you are 70.5 or over and hold an eligible IRA.	No specific qualifications required.
What about taxes?	You do not need to itemize the deductions to qualify. Simply advise your tax preparer of your QCD gift and provide them with the 1099-R from your IRA account. A QCD will provide an above the line deduction reducing Adjusted Gross Income (AGI).	<ul style="list-style-type: none"> Useful to “bunch” charitable contributions into one tax year allowing an individual to itemize their deductions. This is most beneficial during a high income Adjusted Gross Income (AGI) year. Donations of long-term appreciated assets including securities generally receive a deduction for the Fair Market Value (FMV). This would also eliminate capital gains taxes of otherwise selling these assets and donating the proceeds. Deductions depend on which assets you are gifting. Cash is entitled to 100% of AGI deduction. Appreciated securities are limited to 30% of AGI. Any unused deductions more than these limitations can be carried forward for up to five years. DAFs are considered 501(c)(3) public charities.

Charitable Donations & Gifting

Which option is right for me?

	Direct Gift to Charitable Organization	Gifting to Individuals (family, friends, etc.)
How are gifts made?	Direct to Charity gifts of cash or securities.	Financial gifts direct to individual.
How much can I give?	No limit for gifts.	<ul style="list-style-type: none"> • \$17,000 (of present interest gifts) per donor per recipient per year. • Unlimited gifting allowed between spouses. • Gift splitting allows for \$34,000 per recipient per year.
How do I qualify?	No specific qualifications required.	No specific qualifications required.
What about taxes?	<ul style="list-style-type: none"> • Deductions depend on which assets you are gifting and to what type of charity. Cash is limited to 60% of Adjusted Gross Income (AGI) deduction for public charities but only 30% to private foundations. Appreciated securities are limited to 30% of AGI for public charities and 20% for private foundations. Any unused deductions in excess of these limitations can be carried forward for up to five years. • Donations of long-term appreciated assets including securities generally receive a deduction for the Fair Market Value (FMV). This would also eliminate capital gains taxes of otherwise selling these assets and donating the proceeds. • Individuals need to itemize their deductions to receive a tax benefit in excess of their respective standard deduction. 	<ul style="list-style-type: none"> • For gifts exceeding \$34,000 Form 709 must be filed. • Gifts exceeding the annual exclusion are considered taxable gifts adding to the individual's taxable estate at death. The applicable exclusion amount for gift tax, estate tax, and generational skipping transfer tax in 2023 is \$12,920,000 per individual (\$25,840,000 per couple if electing portability). • Qualified transfers not subject to gift tax: <ul style="list-style-type: none"> ○ Medical payment and tuition paid directly to the provider (unlimited). ○ Does not count toward the annual exclusion for the recipient. ○ Not limited to family members.