Tax Donation Strategies for Making Contributions to Ivy Creek Foundation

Consider a Year End Gift of Appreciated Stock

Gifting can be accomplished from your investment accounts or from your retirement accounts

When you give appreciated stock, you can generally receive a gift deduction (charitable contribution for income tax purposes) for the current fair market value of the stock and avoid paying taxes on the capital gain you would have realized if you had sold the stock and donated the proceeds.

For your convenience, IVY CREEK FOUNDATION has an active account at Edward Jones, or a broker of your choice, can process the transfer of stock or securities to our account. All stock and/or securities will be liquidated as soon as feasible to direct cash to the area you designate.

You may call our treasurer, Mark Jennings, should you have any questions or to request information on the rules for transferring assets to our foundation. Please consult your personal financial and tax advisor to determine what works in your best interest.

Contribution Of Appreciated Securities Directly to The Foundation from Your Taxable Investment Accounts

You can usually deduct the full fair market value of appreciated long-term assets you have held for more than one year, such as stocks, bonds, or mutual funds. In addition, if you contribute stocks or other investments, you pay no capital gains tax. Donating investments, especially highly appreciated securities, instead of cash can be a highly effective and tax-efficient way to support a charity. Generally, if your assets have appreciated in value, it is best not to sell securities to generate the cash you need for a donation. Contributing the securities directly to the charity increases the amount you contribute and increases your deduction.

Qualified Charitable Distributions from Your IRA Accounts

A **qualified charitable distribution (QCD)** is generally a nontaxable distribution **made directly by the trustee of your IRA (other than a SEP or SIMPLE IRA) to an organization (foundation) (You should not receive the distribution from your IRA personally and then contribute, it must go directly from the IRA trustee to the charity organization to qualify)** eligible to receive tax deductible contributions. You must be at least age 70½ when the distribution was made. Also, you must have the same type of acknowledgment of your contribution that you would need to claim a deduction for a charitable contribution.

The maximum annual exclusion for **QCDs** is $108,000. Any QCD in excess of the $108,000 exclusion limit is included in income as any other distribution. If you file a joint return, your spouse can also have a **QCD** and exclude up to $108,000. The amount of the QCD is limited to the amount of the distribution that would otherwise be included in income.

A **QCD** will count towards your **RMD required minimum distribution**.

Making Charitable Donations from Your Retirement Accounts

You cannot give your **RMD required minimum distribution** from a 401(k) to charity without triggering a tax. The tax-free transfer of your RMD to charity only applies to **IRAs**. There is an indirect way to give money from your 401(k) to a charity tax-free. To do this, you will have to roll over money from your 401(k) to an IRA and then donate it to charity. You will have to take your RMD from the 401(k) for this year before you can do the rollover. After that, you can roll over 401(k) dollars to the IRA for future charitable transfers. If you do this by the end of the year, you will be able to start transferring some of the money to charity in 2025, which can satisfy all or a portion of the RMD from your IRA.

Please consult with your tax advisor and investment broker to see if you might use and benefit from these strategies.