



The Catholic Foundation of Central Florida

Inspire Giving. Fund God's Work.

GREAT OPPORTUNITIES TO MAXIMIZE YOUR YEAR END GIVING IMPACT



Did you know that 30% of U.S. annual giving happens in December? And December 31st is the most generous day of the year! The Coronavirus Aid, Relief, and Economic Security (CARES) Act created two temporary changes to the deductibility of charitable donations that donors can take advantage of by December 31st! One is a universal deduction that could benefit more than 90% of taxpayers who take the standard deduction! The other is meant to incentivize the remaining high-income givers (and businesses.)

CARES ACT CREATES CHARITABLE GIVING TAX-INCENTIVES FOR EVERYONE

\$300

Above the line deduction!

Itemizers deduct up to

100%

of AGI

IRA

RMDs waived for 2020

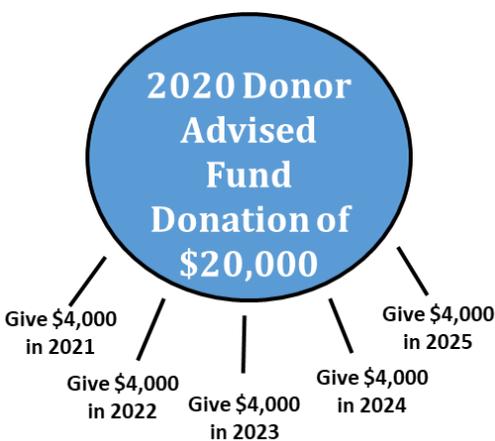
QCDs still available

For the 9 out of 10 taxpayers who no longer itemize, the CARES Act allows these donors to deduct donations to charity of up to \$300 on their 2020 federal tax return, even though they take the standard deduction. (The \$300 limit per filing unit applies regardless of filing status.) Deductions under the CARES Act must be in cash (including checks and credit card payments) and given to a 501(c)(3) public charity.

For taxpayers who itemize and desire to make a major impact on their favorite charities in 2020, the CARES Act raised the bar for the deductible amount of donations from 60% to 100% of their adjusted gross income, so (hypothetically) they could donate their entire year's income and walk away with no taxes owed! (For businesses, the new law also increases the limit on the deduction for charitable contributions from 10% to 25% of a corporation's taxable income.)

The CARES Act also waived required minimum distributions during 2020 for IRAs and retirement plans, including beneficiaries with inherited accounts. However, donors 70 1/2 or older can still make qualified charitable distributions (QCD) from their IRAs of up to \$100,000 this year. A QCD this year reduces your account balance and, therefore, future RMDs for you and your beneficiaries.

BENEFITS OF BUNDLING WITH A DONOR ADVISED FUND



*Example of Bundling

Donors who give annually to one or more charities and are looking to maximize their tax deductions could consider bundling charitable gifts with a their own Donor Advised Fund. Making a larger donation in a single year versus spreading smaller donations across several years can be worthwhile from a tax perspective, even if you are already able to itemize. (Note: Donations to Donor Advised Funds are tax-deductible but do not qualify for additional CARES Act listed benefits above.)

For example, consider a married couple that donates \$4,000 to charity each year. This donation will not create an additional tax benefit if their total deductions do not exceed the standard amount. However, by saving up several years worth of donations and making a bigger donation in a single year, they can itemize in that year and receive a tax benefit for that donation and still distribute their \$4,000 to charities annually over those several years. For more information visit: www.cfof.org/DAF

DOUBLE BENEFITS WITH GIFTS OF APPRECIATED STOCK



By donating gifts of appreciated stock, donors receive an immediate tax deduction on the fair market value of their stock gift AND avoid capital gains. The Catholic Foundation processes stock gifts for all parishes, schools and ministries throughout the Diocese of Orlando at zero cost to the entity, so 100% of the gift goes directly to your favorite entity. For details go to: www.cfof.org/Stock.