



Charitable Gifting from IRAs

How would a donor make a gift from their IRA?

IRAs are held by a financial advisor or trust company. Upon instruction from clients, these custodians transfer all or a portion of an annual Required Minimum Distribution directly to the Foundation.

What kinds of funds at the Community Foundation accept charitable gifts from IRAs?

Gifts from IRAs can be made to all the following options at the Community Foundation:

- General operations: Operating Fund, Juneau Sustainability Endowment.
- Field of Interest and Community Impact Funds, including Arts & Culture, Youth & Education, Health & Social Services, Parks, Trails & Recreation, and more (a full list of funds can be found on our website).
- Designated funds established by donors to benefit certain predefined and designated nonprofits only.

Under current law, gifts from IRAs may *not* benefit donor-advised funds.

Can a donor receive an income tax deduction for a direct gift from an IRA?

No. A charitable gift directly from an IRA is not itemized and therefore donors may not take an income tax deduction for them. However the amount of the IRA withdrawal used for the charitable gift is not reported as income, so it is not counted towards a donor's adjusted gross income (AGI). AGI is used to determine whether certain tax provisions apply.

What if a donor contributes more than the \$111,000 from an IRA?

Because the amount that the donor can exclude from income is limited to \$111,000 any amount over \$108,000 that is gifted from the IRA would be recognized as income. Within a married couple, each person can transfer \$108,000 from their separate IRA account.

What is the primary tax advantage of making a charitable gift from an IRA?

Donors who are 73 years of age or older need to start taking annual required minimum distributions from their IRA accounts, incurring tax liability on income they often do not need and would prefer to avoid. The current law permits individuals to transfer up to \$111,000 per year from their IRAs to a qualified charity, as a Qualified Charitable Distribution.

Why should donors think of using their IRAs to make charitable gifts?

Some retirees have amassed considerable wealth in their IRAs, more than they need for daily living or long-term care. For this reason, you may want to use your IRA distribution for current charitable gifting. Also, consider designating the Foundation as a recipient of all or a portion of your IRA in the future.

For more information, please contact Amy Skilbred at 907-523-5450 or amy@juneaucf.org

The Juneau Community Foundation does not provide financial advice and encourages individuals to work with their professional advisors to determine the financial benefits of any gifting.