

## ***Legacy Corner for CUMC Newsletter***

***Fall 2023***

***Stephanie Baity, Chair***

*2 Corinthians 9:7 Each one must give as he has decided in his heart, not reluctantly or under compulsion, for God loves a cheerful giver.*

As you think about your personal journey of giving, and prayerfully consider what God is asking you to give, here are some tools that could make giving even easier. Speak with a trusted tax or financial professional regarding any of these methods of giving or about other opportunities that may be available to you.

### **Cash**

Cash is the most well-known way of giving to charities/nonprofits. There may be a tax benefit in doing so, but will depend on your tax situation.

### **Required Minimum Distribution/Qualified Charitable Distribution**

When you reach the age of 73, the IRS requires you to start taking money from your IRA, which is then taxed as income. This is called your Required Minimum Distribution (RMD). A Qualified Charitable Distribution (QCD) is a wonderful way to give to CUMC and reduce your taxable income at the same time. You can choose to gift a portion/all of your RMD to our church and the amount given through the QCD is not subject to tax, reducing your overall taxable income.

### **Appreciated Stock**

Another way to both give to the church and reduce your potential tax liability is a gift of appreciated stock. You may gift a stock from your taxable investment portfolio that has appreciated in value. As long as the stock has been held for more than one year, you are able to avoid capital gains tax and may deduct the fair market value of the asset on your taxes as of the date of the stock transfer.

### **Depreciated Stock**

On the flip side, if you have losses on a stock in a taxable account, you may sell the stock for a loss, which would result in a capital loss in a process called tax loss harvesting. You may then donate the sale proceeds to the church in the same manner as described above in the cash donation, while utilizing the capital loss on your tax return in the same or future years.

### **Charitable Contribution "Bunching"**

In the ever-changing tax code, many are finding that they are no longer able to itemize and are taking the standard deduction. One tool that has been used is bunching a charitable gift, which allows an individual/couple that has an intended yearly amount they wish to give, to bunch two years of charitable giving into one year, possibly allowing them to itemize that year and then take the standard deduction the following year. This would be an essential tool for those planning to give to Capital Campaign 3.

### **Donor Advised Fund**

Another way to give is to contribute to a Donor Advised Fund (DAF). A DAF allows you to make a contribution that is deductible in the year the contribution was made. You may contribute cash, stocks or non-publicly traded assets, and it allows designation of more than one charity. The holdings will grow tax free until a donation is made to your charity of choice, including CUMC.