

## **TAX EFFICIENT DONATION OPTIONS**

There are two tax efficient donation options Concord members may wish to consider for their current support (Pledges, Music & Arts, Concord Concert Series, and designated benevolences) and future support (Endowment Fund and BCF Capital Campaign) to Concord. One is gifting appreciated stock – available to all members who have investments in the stock market. The second was made possible by the Pension Protection Act of 2006 - which is available to members who are 70 ½ years of age and older and who have assets in traditional IRAs or other retirement accounts that can be rolled over into traditional IRAs.

### **Gifting Appreciated Stock**

If you hold investments in the stock market, you may find it beneficial to donate some of your long-term (owned for at least one year and a day) appreciated stock to Concord. A gift of stock holds a number of benefits to donors and the organizations they support, the greatest of which is the ability to make a larger gift than may otherwise have been possible with cash alone. Moreover, donors of appreciated stock may be eligible for added tax savings, most notably, the avoidance of income taxes on the stock's capital gains, if sold. Another benefit of contributing through stock donations is that you do not have to come up with cash on a weekly/monthly basis to honor your pledge. Gifting stock to Concord allows you to watch your cash flow and still help the church. One other benefit is that you may designate multiple funds for your contribution. For example, a stock gift may specify distributions to the current year Pledge, prepayment of part or all of next year's Pledge, donations to various designated benevolences (current and next year's Deacons' Fund, Christmas Offerings, One Great Hour Offerings, Youth Mission Trips, Friendship House, etc), special music funds (Music & Arts and Concord Concert Series), Endowment Fund, and BCF Capital Campaign. The value of the gift is the average of the high and low price of the stock on the date of the gift.

It is easy to gift stock to Concord. You can deliver unsigned stock certificates to the Treasurer, along with a letter detailing the gift (# of shares of XYZ, and designation instructions – in other words, where should the contributions be applied?), and a signed stock power – available in the church office. You can also instruct your broker to transfer shares from your account to Concord's account at Wilmington Brokerage. If you choose this method, please contact the Treasurer for our broker's DTC #, and Concord's account number. Most brokers require that you provide a letter of instruction to them. Please provide copies of any letter to the Treasurer and Financial Secretary.

**Remember, you must not ask your broker to sell the stock but request that your broker transfer the stock as is to Concord.**

## Gifts IRAs

This opportunity is for individuals to make gifts from their IRAs. To qualify,

- **The donor must be 70 ½ years of age or older the day the gift is made;**
- **The transfers must go directly from the IRA trustee to Concord;**
- **Gifts cannot exceed \$100,000 per taxpayer per year; and**
- **Gifts must be outright\***

*\*Transfers to donor advised funds, supporting organizations, and charitable remainder trusts and for charitable gift annuities do not qualify.*

This opportunity was originally available only for 2006 and 2007. Congress has extended the opportunity every year since. For 2010, the extension did not become law until late December 2010. The 2010 provision was extended to January 31, 2011. The same law extended the IRA gift provisions to 2011 as well.

Any direct gifts from the donor's traditional IRAs counts towards the Required Minimum Distribution, is not included in Adjusted Gross Income (AGI), and is not included as part of the donor's charitable deductions on Schedule A of Form 1040.

This law presents a wonderful opportunity for Concord members to utilize their IRAs creatively to accomplish special philanthropic objectives, including increasing both their current and long range support of Concord. Members who might benefit include:

- **Those who are required to take minimum withdrawals but do not need or want the additional income can donate up to \$100,000 each year;**
- **Those who do not itemize and who make charitable gifts in amounts less than the standard deduction for seniors 65 or over (\$13,900 for married couples and \$7,250 for single filers in 2011) will benefit from a transfer directly from their IRA to Concord;**
- **Those whose major assets reside in their IRAs will find it convenient to make direct transfers to Concord from their IRAs without the hassle of having to report the transfer on their income tax returns;**
- **Those who usually give up to 50% of their AGI, the ceiling on allowable charitable giving for any year (30% for appreciated stock) will be able to give more from their IRA accounts, which is not subject to this limitation.**

While you cannot make a direct transfer from other retirement accounts such as 403b or 401k plans, you can roll over funds from these assets to IRAs and then make a direct transfer from the IRA to Concord.

If you are interested in making a direct transfer from your IRA to Concord, please contact the Treasurer. **Remember, you must not take the distribution yourself but must ask your IRA trustee to transfer the funds directly to Concord.**

**Stan Lamar, Treasurer**