



LEARN HOW TO GIVE STRATEGICALLY FROM YOUR IRA

Qualified charitable distributions from your IRA

If you are at least 70 ½ years old, you have the opportunity to make a gift of up to \$111,000 each year directly from your IRA to a public charity or charities by using a qualifying Designated Fund with the National Christian Foundation (NCF). A Designated Fund allows you to (a) roll over funds from your IRA, (b) designate which charity you want to receive the funds, and (c) then advise us about the timing of grant checks to the charity, while also providing for the investment of the funds prior to distribution. Your tax advisor will know this as a qualified charitable distribution (QCD), but it is also sometimes referred to as an IRA charitable rollover.

Why make a QCD?

You can often give more by simply shifting the source of assets you use for giving versus living, using a QCD from your IRA for giving instead of other appreciated assets. When you make a QCD, you reduce the IRA, free of federal income tax, and eliminate income often taxed at your highest rate. Then, to cover living expenses, you can liquidate other appreciated assets that are typically taxed at lower rates. Additionally, the benefit of using IRA assets for charitable giving during your lifetime compounds to your heirs because appreciated assets typically receive a step up in basis upon inheritance, while IRA assets keep their high tax rate in the hands of your non-charity heirs.

A QCD from your IRA may also be helpful if you claim the standard deduction on your tax return. It effectively gives the tax benefit of a charitable gift without requiring you to itemize your taxes. You get both the standard deduction plus the benefits of the QCD.

Who qualifies?

Owners of traditional or inherited IRAs who are at least 70 ½ (on the date of distribution) are among those who may request their IRA custodian to distribute directly from their IRA to charity in an amount up to \$111,000 per year and exclude the gifted amount from their gross income for federal tax purposes. This amount can be counted toward your annual required minimum distribution once those begin.

How can I make a QCD to NCF?

A QCD from your IRA cannot be made to a Giving Fund (donor-advised fund), a Supporting Organization, or a Private Foundation. But they can be made to funds at NCF that support a single charity (referred to as a “Designated Fund”). And \$55,000 of your QCD can be used to fund a Charitable Gift Annuity (CGA), an opportunity that is only allowed once in your lifetime.

I want to make a QCD from my IRA to NCF. What's next?

- Contact your NCF team at ncfgiving.com/team to establish your Designated Fund(s), indicating the recipient charity or charities.
- Contact your IRA custodian. The custodian will make the check payable directly to NCF.
- Remember that simply writing a check from your IRA will not qualify; your IRA custodian must originate the distribution.
- Obtain a written acknowledgment of the gift from NCF.
- Work with your tax preparer to properly report the IRA charitable rollover on your IRS Form 1040. Unique reporting is required.
- Once NCF receives the funds from your IRA custodian, we will distribute the funds according to the Designated Fund agreement.