

Consider Other “Pockets” This Year

Donor Advised Funds — Don't overlook donor advised funds as a convenient source to continue your gifts in uncertain times. Also consider gifts through businesses or family foundations.

Insurance Policies — Many people have life insurance policies that are no longer needed for their original purpose. You can make a significant gift now by giving that “obsolete” policy to charity. The cash value of the policy will qualify for a tax deduction.

Other Financial Accounts — In most states, you can name a charity as a beneficiary for various brokerage, financial and bank accounts.

Giving Through Your Long-Range Plans

You can make charitable gifts through your will, living trust or other estate plans after taking care of your loved ones. When including a charity in your plans, it is important to use its full legal name.

Learn More

We hope this information will be helpful to you as you consider the best ways to fulfill your philanthropic plans this year. If we can provide more detailed information to you or your advisors, please contact us.



The purpose of this publication is to provide general planning information. It is not intended as legal, accounting, or other professional advice. For assistance in planning charitable gifts with tax and other financial implications, the services of appropriate advisors should be obtained. © Copyright MMXX by Sharpe Group. All Rights Reserved. GAYE2020

Giving *at Year-End*

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Every year many Americans devote their time and resources to causes and charities they care about. This year has been no different; in fact, it has been exceptional to see people responding to 2020's health and economic challenges with amazing generosity to help loved ones, neighbors, strangers and charities.

As you plan your year-end gifts for 2020, there are some special considerations to keep in mind.

Cash Gifts Continue to Lead the Way

Gifts of cash remain a popular way to give whether by mailing a check or donating online with a credit card. Cash gifts made before December 31 can provide tax savings whether you itemize or not. For instance:

- This year, individuals who do not itemize their deductions can reduce their taxable income by up to \$300 when they make cash gifts to qualified charities.

- Those who elect to itemize their charitable gifts and other deductions will find the normal limit (60% of adjusted gross income) has been eliminated for gifts of cash in 2020.

Noncash Gifts May Offer Tax Savings

Each year, Americans give billions of dollars in forms other than cash. The most common way to make a noncash gift is with stock and other publicly traded securities, such as mutual funds.

Those who give appreciated stock or other securities held more than one year to qualified charities avoid capital gains tax on the profits and can also claim an income tax deduction if they itemize.

Other property, such as real estate, jewelry, art, collectibles, patents and copyrights, can be donated for charitable purposes. Special rules apply to these types of gifts, so check with us or your advisors for more information.

Retirement Plans: Give Now or Later

Most working adults participate in one or more retirement plans, such as a 401(k), 403(b) or Individual Retirement Account (IRA). These funds can be a wise source for charitable gifts.

A current giving option allows IRA owners 70½ and older to make qualified charitable distributions (QCDs) of up to \$100,000 per year. QCDs are not taxed, making them beneficial for those who do not anticipate itemizing their income tax deductions.

Retirement plans also offer future charitable giving options:

- You can name a charity as a beneficiary of all or part of a retirement plan.
- You can arrange for yourself or a loved one to receive income for life or a term (up to 20 years) through a charitable remainder trust. The charity receives any remaining funds in the future completely free of tax.