



**Foundation for the Advancement
of Education and Economic Equity**

Giving to Foundation A3E

The *beginning* of the *end* of the 2022 tax planning season is upon us! That means you still have time to make a tax-deductible charitable gift this year ... as well as benefit from several types of gifting opportunities.

The most basic strategies include:

IRA Designations: You may gift a portion or all of your required minimum distribution from an IRA, and obtain a “QCD”, defined as a “*qualified charitable deduction*.” This is easy but certain rules exist: (1) the donor must be 70½ years old; (2) the funds must be withdrawn by the IRA Administrator at your direction, and sent directly to the charity; (3) funds must be going to a “qualified charity” – that includes a 501(c)(3) organization, such as A3E, as well as others; (4) account must be an IRA, not an on-going SEP or SIMPLE IRA account; and (5) the amount must be part of, or all of the donor’s required minimum distribution amount.

Direct Contributions to a Qualified Charity of cash or property: The IRS has changed the rules for 2022, including providing options to taxpayers who do not itemize deductions to nevertheless claim a limited charitable deduction. This is available to **taxpayers who do not itemize deductions on a Schedule A**. If (1) single they may deduct cash contributions totaling \$300; or if married filing jointly, they may deduct a cash contribution of \$600; or if married but filing separately, they may deduct a \$300 maximum contribution. The IRS requires a receipt for each donation.

(2) A cash contribution *or* property contribution of more than \$250 is also allowed but the taxpayer must obtain a written acknowledgment of the gift from the charity before filing their return. These provisions are **also applicable to taxpayers who do not itemize deductions**. (Gifts of property get tricky, so carefully check the rules.)

(3) All other cash or property deductions are only reportable on the Schedule A, for Itemized deductions and subject to those itemization rules. Since the standard deduction increased in 2017, the majority of taxpayers can no longer meet the threshold for filing the Schedule A. Within the Schedule A, overall contributions to qualified charities are generally limited to 60% of your Adjusted Gross Income.

(4) Vehicle Donation. You may directly gift a vehicle to a charity – and deduct the estimated fair market value of the vehicle on the date of contribution. (But A3E does not accept vehicles ... ☺)