

IRA Charitable Rollovers with NCF South Florida

If you are over 70 1/2 years old, you have the opportunity to make a gift of up to \$100,000 each year from your IRA to Calvary Chapel by using a qualifying Designated Fund with the National Christian Foundation of South Florida (NCFSF). A Designated Fund allows you to (a) rollover funds from your IRA, (b) designate which charity you wish 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.

Why make a Charitable Rollover?

You can often give more by simply shifting the source of assets you use for giving versus living, using an IRA Charitable Rollover for giving instead of other appreciated assets. When you make a Charitable Rollover, you reduce the IRA tax-free 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 life compounds to your heirs because appreciated assets typically receive a step-up in basis upon inheritance, whereas IRA assets keep their high tax rate in the hands of your non-charity heirs.

The IRA Charitable Rollover also may 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 Charitable Rollover.

Who qualifies?

Owners of Traditional or Inherited IRAs who are at least 70 1/2 (on the date of distribution) are among those who may distribute directly from their IRA to charity in an amount up to \$100,000 per year and exclude the contributed amount from their gross income for tax purposes. This amount can be counted toward your annual required minimum distribution once those begin.

Who can receive IRA distributions at NCF South Florida?

IRA distributions at NCFSF can only be made to Designated Funds. IRA distributions cannot go to a donor-advised fund, a supporting organization, or a private foundation, nor can distributions be made in connection with a Charitable Gift Annuity or a Charitable Remainder Trust.

So, now that I qualify and my IRA qualifies, how do I do this?

- Contact your NCF South Florida office at 954.771.0110 to establish your Designated Fund, indicating Calvary Chapel as the recipient charity.
- Contact your IRA custodian. The custodian will make the check payable directly to NCF South Florida.
- Obtain a written acknowledgment of the gift from NCFSF.
- Work with your tax preparer to properly report the IRA Charitable Rollover on your IRS Form 1040 as unique reporting is required. Be aware that the charitable rollover is technically known as a Qualified Charitable Distribution or QCD.
- NCFSF will distribute the funds in accordance with your Designated Fund Agreement.

Learn more or get started today.

Visit us at ncfgiving.com/southflorida or call us at 954.771.0110.