

Planned Giving Tip

October 2006

End of Year Giving

As you know, many people - for various reasons - make significant charitable contributions at the end of the calendar year. Some would rather give to their favorite charities than to the IRS and so are motivated by the tax benefits of giving. Some have put off giving during the year and now are looking to "catch up" to the giving level they intended to be when the year began. Others may have experienced a particularly successful year financially and are looking to make an "extra gift" beyond their normal giving.

Whatever the reason it makes sense to give our donors a little helpful reminder that the end of the year is approaching and to give them ideas on how to be generous to their parish or school. To assist you in this effort I have attached the 2006 version of the parish End-of-Year Giving Flyer along with a memo containing ideas for distributing it to your parishioners. Many charitable organizations send similar reminders at this time as well.

Robert Sharpe, a planned giving expert, has noted recently that for charities to be successful in the future, they will be "near, dear, and clear" to their donors. He meant that they will be physically near for frequent visits, dear to them in terms of touching their heart, and clear about what their mission is. There cannot be a better description about a committed parishioners connection to his or her parish!

The main change to this year's flyer is the addition of the IRA Rollover bill which was signed into law in August and expires December 31, 2007. This is a small window of opportunity to encourage this special type of gift giving.

Keep planting seeds!

John

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Make Tax-Free Gifts to the Parish from Your IRA Through December 31, 2007!!

How does it work?

- Donors age 70 ½ or older can make direct distributions from their IRAs to qualified charitable organizations (does not include charitable trusts, gift annuities, donor advised funds or supporting organizations).
- The charitable distributions count toward minimum required distributions.
- The distribution generates neither taxable income nor a tax deduction, so even those who do not itemize their tax returns receive the benefit.
- The gifts may be made in addition to any other charitable giving the donor has planned.
- Donors may transfer up to \$100,000 per year directly from their IRAs.
- This provision is part of the Pension Protection Act signed into law by President Bush in August, 2006.
- Checks must be cut directly from the IRA administrator to the charity. Experts are recommending that the check contain notation that the contribution is from the donor's IRA.