Gennesaret Free Clinics

CICF | Central Indiana Community Foundation

LISTEN & LEARN:
GIVING SMARTER



The Smartest Gift Starts With Your Goal

The question is not just “How much should I give?”

Support Causes Now
Make a difference today, while potentially improving tax efficiency

Create Income
Support charity while receiving payments for life

Leave a Legacy
Provide lasting support for the people and causes that matter most to you

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Three Ways to Give Smarter

WHAT TO GIVE
Cash is familiar; appreciated stock and IRA assets may be more efficient

WHEN YOU GIVE
Giving in a single year instead of over many may change deduction results

HOW YOU GIVE
An outright gift, fund, annuity, or planned gift can accomplish different goals

You can be a sophisticated giver without using a complicated vehicle.

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Charitable deductions changed in 2026

If you do NOT itemize:

- Deduction of up to $1,000
- $2,000 if married filing jointly
- For eligible cash gifts
- Recipient may not be a donor-advised fund, supporting organization, or private foundation

If you DO itemize:

- New floor: 0.5% of adjusted gross income (AGI)
- Only qualifying gifts above this threshold are potentially deductible, subject to other rules.
- Application*: Donor's AGI is $200,000 and gives $5,000 to charity annually
  - 0.5% AGI Floor ($200,000 × 0.005) = $1,000
  - Allowable charitable deduction if itemizing = $4,000

**For illustrative purposes only*

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Donor-Advised Funds & Bunching

Give today. Recommend grants over time.

How a Donor-Advised Fund (DAF) Works:

Contribute:
Make an irrevocable gift to a sponsoring charity; get full tax benefit in the year of gift

Grow:
The sponsoring charity invests the assets, subject to its policies, and may provide you with philanthropic services

Recommend:
Suggest grants to eligible charities, now or later

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Donor-Advised Funds & Bunching

Give today. Recommend grants over time.

Bunching: Front-Load Gifts, Grant Over Time

Assumptions: $200,000 AGI • $5,000 intended charitable support each year • 0.5% AGI floor = $1,000/year

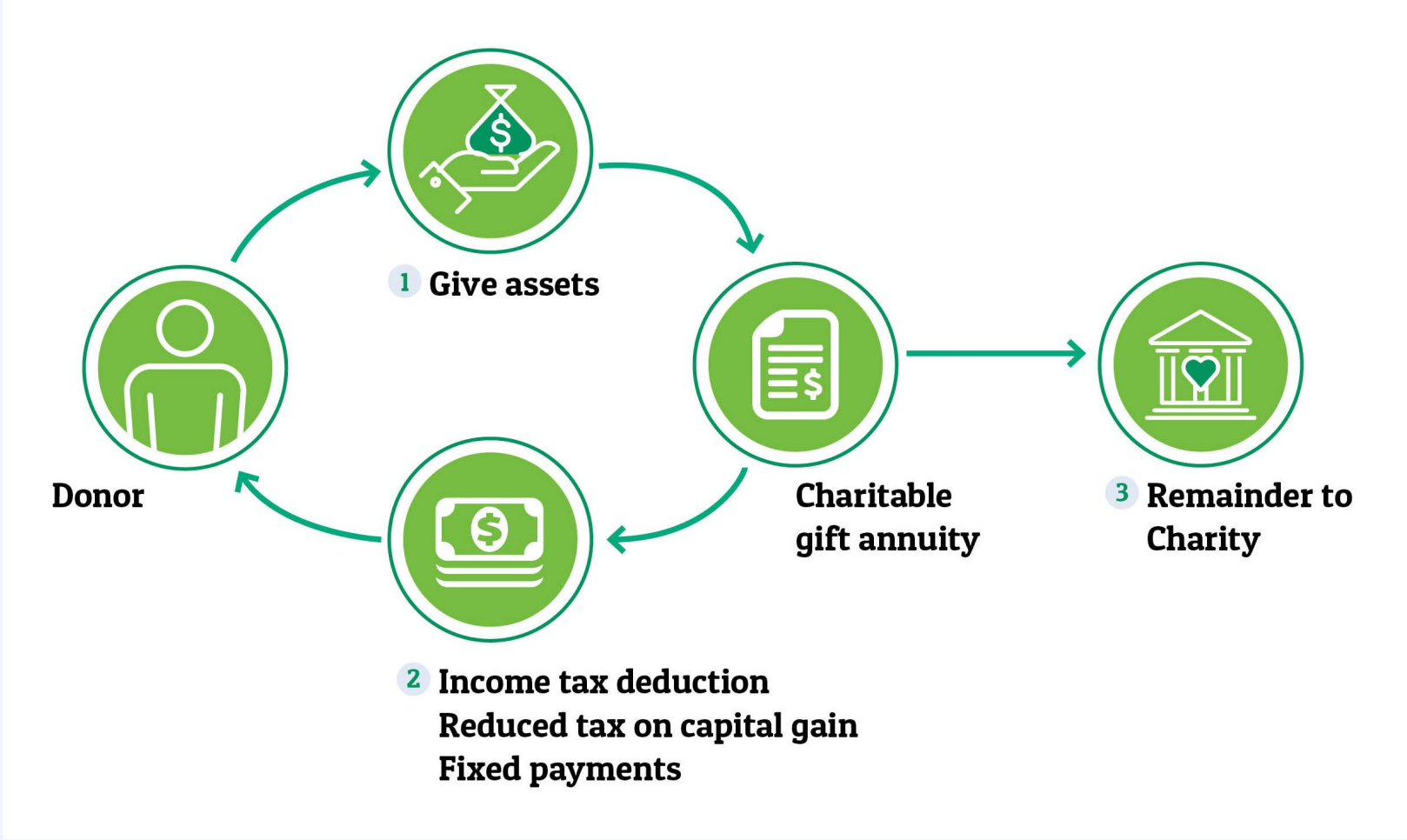
Without Bunching	Bunching Through a DAF
• $5k/year to Genessaret, $1k/year floor = $4,000 deduction per year • $12,000 total deduction over 3 years* • $15,000 total to Genessaret	• $15k in year 1 to a DAF, $1k floor = $14,000 deduction in year 1* • Give $0 to DAF in years 2 and 3 • Make $5k in grants to Gennesaret each year for 3 years, $15,000 total • Same benefit to Gennesaret, higher deduction

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**Illustrative itemizer-only calculation; actual tax benefit depends on all deductions and applicable rules.*

Charitable Gift Annuities

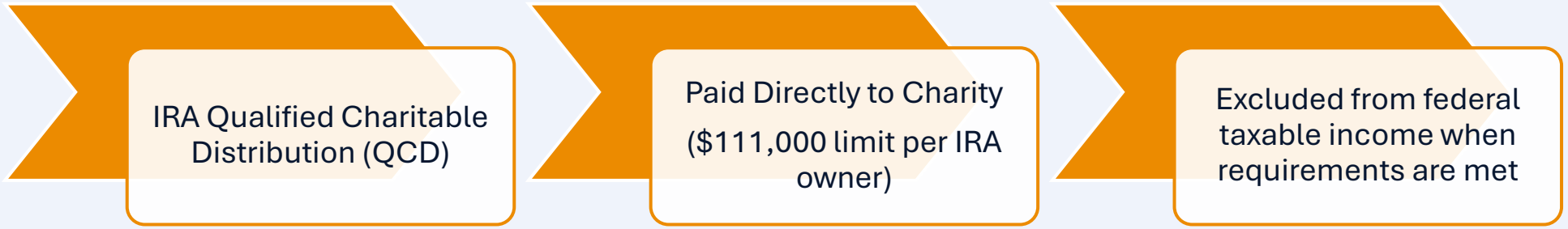
How a CGA Works:



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IRA Qualified Charitable Distributions

Compare:



And:



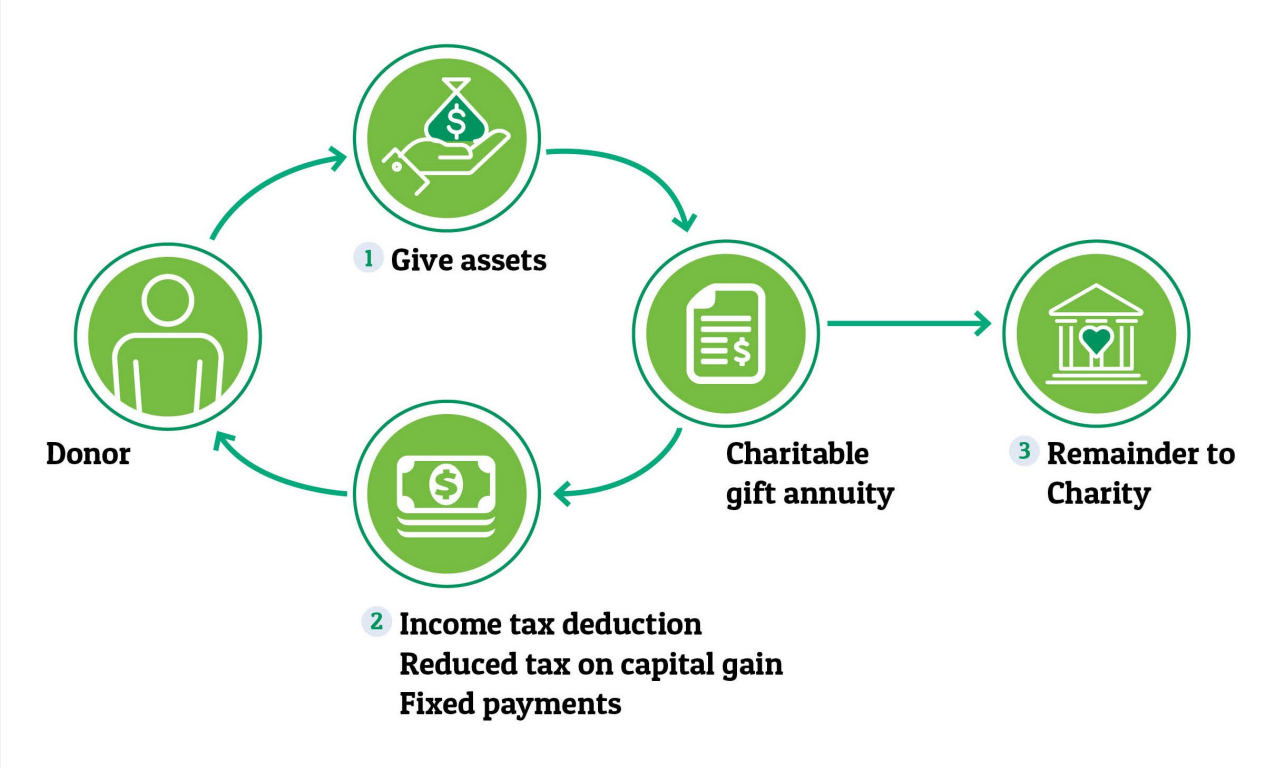
For QCDs:

- Must be 70½ or older
- May satisfy all or part of your Required Minimum Distribution (RMD) if applicable
- Not eligible for charitable income tax deduction – BUT available to itemizers and non-itemizers
- May not go to a donor-advised fund, supporting organization, or private foundation

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Could your QCD also provide income?

A special one-time QCD can fund a charitable gift annuity (CGA).



- 2026 Special QCD Limit for Charitable Gift Annuity: $55,000
- **Once per lifetime**, in one tax year
- The $55,000 is part of—not on top of—the $111,000 regular QCD limit
- Unlike a trust, a CGA is a contract with the issuing charity
- A $55,000 QCD is also eligible to go into a charitable remainder trust (CRT), though it is highly unlikely to be cost-effective, given the expense of CRTs

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Give Assets, Not Just Cash

Compare:

- Donate Long-Term Appreciated Stock Directly to Charity
- Itemizers Receive a Charitable Income Tax Deduction
- Avoid Capital Gains Tax

With:

- Sell Long-Term Appreciated Stock
- Donate to Charity
- Itemizers Receive a Charitable Income Tax Deduction
- Likely Triggers Capital Gains Tax on Appreciation

- Similar rules apply for other long-term appreciated assets, including real estate and closely held business interests

Planned Giving: How?

- Gift in Your Will: Specific Amount or Percentage
- Residuary Gift in Your Will
- Retirement Plan Beneficiary Designation
- Life Insurance
- Split-Interest Gifts

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What Should I Leave to Whom…

Consider Leaving to Charity

- Pre-Tax Retirement Accounts
  - Traditional IRAs
  - 401(k)s & 403(b)s
  - Other taxable retirement assets
- Why? Your heirs may owe income tax when they receive these assets. A charity generally does not.

Consider Leaving to Heirs

- Appreciated assets: stocks, mutual funds, real estate
- Roth retirement accounts
- Life insurance
- Why? These assets may receive especially favorable income tax treatment when inherited.

Which Approach Fits My Goals?

Your Goal	Tools to Consider
I want to give from my IRA	Ordinary QCD
I want to give from my IRA, and I want lifetime income	One-time QCD into a charitable gift annuity
I want charitable impact and lifetime income	Charitable gift annuity
I own stock that has grown significantly	Gift stock directly to charity
I want to give over many years	Donor-advised fund
I want to make a tax-smart planned gift	Make charity the beneficiary of a taxable retirement account and leave other assets to heirs

4 Questions for Consideration

Before your next gift, ask:

- Am I giving the most tax-efficient asset?
- Would timing my gift differently help?
- Could I use my IRA directly?
- Do I want income now—or impact later?

Start with your goals, and involve your advisors early

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Contact Me



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Questions

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