



The CARES Act and Charitable Giving

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The massive \$2.2 trillion stimulus package is intended to provide swift relief to individuals and organizations alike, in the midst of the global Covid-19 pandemic.

In addition to direct payment and other provisions that may benefit your family, here are several CARES Act items and other considerations related to your charitable giving.

» **Cash Gifts**

If you are among the 90 percent of American taxpayers who take the standard deduction, you may now deduct \$300 in charitable gifts from your gross income. This above-the-line deduction applies only to cash gifts made directly to ministry; they cannot be made into a donor-advised fund.

» **100% Charitable Deduction**

You may deduct cash gifts up to 100 percent of your adjusted gross income (AGI) in 2020. Gifts made directly to charity, regardless of whether they relate to Covid-19 relief, qualify. The previous deduction limit for cash gifts was 60 percent.

» **Gifts From Your IRA**

Because of the market downturn, and in order to help individuals retain funds in their retirement accounts, Congress opted to waive the required minimum distribution (RMD) from IRAs for 2020. However, loyal supporters over 70 ½ can still make a qualified charitable distribution to ministry if they wish, since this remains a cost-effective way to give.

» **Corporate Gifts**

Corporations can now deduct outright charitable gifts up to 25 percent of income rather than the previous 10 percent limit. For contributions of food inventory, the deduction limit went from 15 percent to 25 percent of income.

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» **Stock and Other Non-Cash Assets**

Giving appreciated stock, real estate or other non-cash assets remains the most cost-effective giving option since you will receive a fair market value deduction at the time of your gift and avoid capital gains on the sale of appreciated assets. If you have already made gifts of stock or other assets into a donor-advised fund, now is a great time to make distributions from your account.

» **Gifts in a Will**

Many people make their most significant contribution to ministry by leaving charitable gifts in their will. An “ultimate gift” allows you to retain access to your God-given resources for as long as you need them, while ensuring your favorite ministries continue to make a difference, well beyond your lifetime.

TALK TO A PLANNER

Through Barnabas Foundation, you have access to trusted planning support from a Christian perspective. At no cost to you, a Barnabas Foundation planner will explain all of your tax-wise giving options, helping you develop a plan that honors God, cares for the needs of your family and furthers the causes closest to your heart.

To learn more and to schedule your conversation with a planner, call 888.448.3040 or email info@BarnabasFoundation.com.



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