



# Tax Advantaged Giving & Investing in the Future

Planned Giving Committee: Sarah Fawcett-Lee, Emily Mellott, Angela Winterrowd, Lisa Yeh

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# Introductions and our backgrounds

- ▶ Sarah Fawcett-Lee, FAHP, CFRE
  - ▶ SVP and Chief Philanthropy Officer Virtua Health
- ▶ Angela Winterrowd
  - ▶ Director of Leadership Gifts, Friends Select School
- ▶ Dr. Lisa I Yeh
  - ▶ Investor, interested in philanthropy
  - ▶ Certified tax preparer for AARP



# Why We Give

- ▶ We are responding to God's call to love, know, and serve Christ in our time and place
- ▶ We proclaim the Good News through word and example
- ▶ We strive for justice, peace, and human dignity
- ▶ We practice faithful stewardship of God's abundance
- ▶ We commit personal resources in service to others
- ▶ We invite all to join in God's work locally and globally



# Tax Advantaged Giving

- Qualified Charitable Distributions
- Donor Advised Funds
- Appreciated Securities

# Qualified Charitable Distribution (QCD)

- ▶ Funds from IRA are transferred **directly** to a church or other charity through a QCD by your IRA custodian\*
- ▶ QCD gift is not subject to federal income taxes
  - ▶ **LOWERS federal income taxes**
  - ▶ **LOWERS Current year AGI compared to withdrawing from IRA**
  - ▶ **May LOWER Medicare Part B payments**
  - ▶ QCD is, however, subject to NJ state taxes
- ▶ QCD is available to those 70 ½ years of age or older
- ▶ QCD gift counts toward RMD requirement
- ▶ Church or charity receives entire donation w/o any taxes
- ▶ QCD amount is not counted as a charitable deduction for itemizers

*IRA: Individual Retirement Account*

*AGI: Adjusted Gross Income*

*RMD: Required Minimum Distribution*

\* Subject to \$111,000 maximum for 2026

# Donor Advised Fund (DAF)

- DAF can function as a “savings/investment account” for charitable donations
- Available to all: No minimum age requirements
- Could receive immediate tax deduction for entire sum\*, if itemizing
- Facilitates “bunching” contribution strategy
- May allow donations to be gifted anonymously, if so desired
- Can be used as a family giving tool to teach children
- Gifts of Appreciated Securities are beneficial from tax perspective\*\*

\* Subject to 60% of AGI limitation if cash is gifted or 30% if appreciated securities are gifted and itemization rules

\*\* Subject to 30% of AGI limitation



# How Does a Charitable Donor Advised Fund Work?

- 1) Open DAF account with brokerage firm (Fidelity, Vanguard, T. Rowe Price, ECF, and others)
- 2) Make a deposit (this is deductible as a charitable contribution in year deposited, if itemizing deductions)\*
- 3) Funds in this account can be invested and grow over time
- 4) Select non-profits (Trinity and others) that you choose to support and recommend a grant to them any time you choose

*Enables individuals to effectively separate the tax planning aspects of gifting from the philanthropic aspects of gifting*

\* Subject to 60%/30% AGI limitation caps for cash/appreciated securities

# Donor Advised Funds

<b>Fund Family</b>	<b>Name</b>	<b>Min to Open</b>	<b>Min/Grant</b>
Fidelity	Fidelity Giving Account	None	\$50
Vanguard	Vanguard Charitable	\$25,000	\$500
T Rowe Price	T Rowe Price Charitable	\$5000	\$100
Episcopal Church Foundation	Donor Advised Fund	\$2500	\$100

# Appreciated Securities

- Securities include stocks, mutual funds, or exchange traded funds
- “Buy Low, Sell High”
- If Securities have Appreciated in Value (gone up) when sold, then Capital Gain taxes are generally paid on the increase in value
- If the Appreciated Securities are NOT sold, but instead are gifted directly to a church or charity, there are **NO Capital Gain taxes**
  - Charity receives the full value on date of transfer
  - Donor allowed to include the appreciated value (if security held greater than 1 year) as a charitable deduction, if itemizing deductions
  - Could result in lower Tax burden



## Investing for the Future/ Beneficiary Designation

- ▶ One of the simplest ways to support Trinity through a planned gift is a beneficiary designation.
- ▶ You can do so with a retirement account or life insurance policy. No need to contact an attorney or alter your will.
- ▶ Trinity could be the sole beneficiary, or secondary. Trinity could receive the full value or a percentage.



# Retirement Account

- You could name Trinity as a beneficiary of a retirement account (like an IRA, 401(k), or 403(b)).
- Trinity would receive 100% of the amount you designate, whereas an heir would have to pay taxes on this inheritance.
- You keep every penny needed in your lifetime and can make changes at any time.
- Make this change easily by requesting a Beneficiary Designation form (often this can be done online.)



# Life Insurance Policy

- ▶ You can name Trinity as the full or partial beneficiary on a life insurance policy.
- ▶ Trinity could be a secondary recipient, after your spouse.
- ▶ This gift will make a huge impact, but costs you nothing now.



# Bequest

- The largest gift you may ever make, to the organization(s) you care about most deeply
- You can have a lasting impact that continues beyond your lifetime
- You can purposefully direct your resources toward what you believe in – and help sustain programs, ministries, or services for future generations
- Bequests are a simple and powerful way to extend your influence and care for the people and causes that mean the most to you.




# Estate Planning Basic Documents

- Will
- Power of Attorney
- Advanced Directive



# Summary

- ▶ Tax Advantaged Giving
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  - ▶ Donor Advised Fund
  - ▶ Appreciated Securities
- ▶ Investing in the Future/ Beneficiary Designations
  - ▶ Retirement Account
  - ▶ Life Insurance Policy
- ▶ Bequests
  - ▶ Estate Planning

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- Disclaimer: Individual circumstances vary and you should consider your personal situation and consult your tax and/or financial advisor and attorney to fully understand all the implications for your specific situation.



Any Questions?



Thank you!