

CHARITABLE GIFTS ARE DEAD? LONG LIVE CHARITABLE GIFTS!

After a great deal of concern about the possible loss of charitable deductions under the new Tax Act, it is important to understand one thing – charitable tax deductions and incentives are alive and well. In fact, some types of gifts are even better than before.

GIFT STRATEGIES TO FOCUS ON IN 2018:

1. **Gifts of Cash** – donors who itemize can now deduct up to 60% of their adjusted gross income in one year (it used to be 50%). Plus, any unused tax deductions may still be carried forward for five years after a gift. a. Encourage donors to “pre-pay” two or three years’ of FOS gifts or pledges in 2018 – this may make it easier for some donors to deduct their gifts.
2. **Gifts of Appreciated Stocks** (and other property) – regardless of whether you itemize or not, pre-tax gifts (rather than post-tax gifts) are still an effective way to give. a. Stocks/property owned for more than 12 months are deductible at fair market value – i.e., tax deductions for \$10,000 in stock (pre-tax gift, avoid capital gains owed) and \$10,000 in cash (post-tax, after capital gains tax) are the same.
3. **Donor Advised Funds** – creating a “charitable checking account” at the BSA Foundation allows donors to give more now, consolidate their giving into one fund, and give advice later as to which charities will receive the distributions.
4. **IRA Gifts** – for donors age 70 ½ or older, they may give up to \$100,000 of IRA assets directly to your council – it avoids the tax on withdrawals, and qualifies for the MRD requirements. For many, this is even better than a tax deduction.
5. **Bequest Gifts** – the estate tax is now gone for 99% of taxpayers, and reduced for others. All estates now have more for families, Scouting, and other beneficiaries. a. U.S. Trust survey: over 90% of high-net worth donors will either maintain or increase their charitable bequests, if the estate tax was eliminated or reduced.
6. **Gift Annuities** – making a gift of cash or stock, and getting lifetime income in return, is still an effective way to leverage highly appreciated, low yielding assets.

THE SINGLE MOST IMPORTANT STRATEGY

Council and District Development and Endowment Committees will be marketing our Council’s mission, not the tax law! Most donors do not give to FOS, or buy popcorn, or come to special events because of tax deductions. They give to us because we build strong relationships, we show them you are worthy of their support, and we show them the impact we are making in our communities. The many Friends of Scouting will continue to give, as long as we do that.

Donors give to organizations that have a positive impact – regardless of tax deductions. For those who are still concerned about the most tax-effective ways for them to support Scouting? Remind them a Scout is Thrifty – and encourage them to talk with their own financial advisors.