

Tips for Giving that Make a Difference

- **Shop at [Smile.Amazon.com](https://www.amazon.com/smile) instead of logging in to the regular Amazon site.** Did you know if you login to your Amazon account via this website, and select **Community Covenant Church Lenexa KS**, Amazon will donate a portion of the proceeds to us? When you shop with AmazonSmile, you'll find the exact same low prices, vast selection and convenient shopping experience as Amazon.com, with the added benefit that AmazonSmile will donate 0.5% of your eligible purchases to the charitable organization of your choice.
- **Establish Automatic Recurring Giving from your bank:** Automatic giving from your bank helps avoid a common situation where people accidentally skip a month of payment due to travel or other reason. In addition, fees for ACH banking are less than the fees for credit card giving.
- **Include CCC in your estate planning.** Have you prayerfully considered leaving a gift to the church as part of your will or estate plan? A simple and direct way to do so is to leave a bequest in your will or revocable trust. This can also be done with IRAs and other investments you may have.
- **Satisfy an IRA Required Minimum Distribution (RMD) through a Qualified Charitable Distribution (QCD).** Whether itemizing deductions or taking the standard deduction, individuals age 70½ and older can direct up to \$100,000 per year from their traditional IRAs to operating charities through QCDs. The QCD can be used to satisfy all or part of the donor's RMD for 2022 and is not considered taxable income for the donor.
- **Donate appreciated non-cash assets instead of cash.** An effective strategy for giving with maximum charitable impact and minimizing taxes is to donate appreciated non-cash assets held longer than one year. Donors who use this strategy generally can eliminate the capital gains tax they would otherwise incur if they sold the assets first and donated the proceeds. The long-term capital gains tax is typically 15% or 20%, depending on the donor's income level. Eliminating this tax can increase the amount available for charities by up to 20% and increase the amount saved on taxes depending on your situation.
- **Utilize both the standard deduction and itemized deductions by bunching two years of contributions into 2022.** Donors may estimate that the total of their itemized deductions will be below the level of the standard deduction for 2022: \$12,950 for single filers or \$25,900 for married couples filing jointly. In that circumstance, it could be beneficial to combine or "bunch" their 2022 and 2023 charitable contributions into this year, itemize deductions on their 2022 tax returns, and take the standard deduction on their 2023 tax returns. A bunching strategy could produce a larger two-year deduction than two separate years of itemized deductions, depending on income level, tax filing status, and giving amounts each year.
- **Donate cash from the sale of depreciated securities.** Donors may also identify certain securities that are currently valued at less than original cost (cost basis) and sell those securities at a loss. In a process called tax-loss harvesting, capital losses can be used to offset capital gains and up to \$3,000 of ordinary income. Donors can then claim a charitable deduction if they donate cash from the sale proceeds.
- **Use a part-gift, part-sale strategy to offset capital gains tax from investment portfolio rebalancing at year end.** Rebalancing involves selling investments that have exceeded target allocation and using sale proceeds to buy more of the investments that have become underrepresented allocations. Donors can utilize a part-gift, part-sale strategy to reduce the tax impact of rebalancing. This is accomplished by claiming a charitable deduction for donating appreciated assets in an amount that offsets the capital gains tax on selling appreciated assets.

As always, please consult your tax advisor to determine which approach, if any, may be best for your situation.