



## REQUIREMENTS

### ELIGIBILITY

- You must be 70½ years or older.
- Only traditional taxable IRAs are eligible for gifting.
- Recipients need to be qualified 501(c)(3) public charities.

### GIFT AVAILABILITY

- Individuals may directly transfer up to \$100,000 annually to a qualified public charity.
- Married couples who each have an IRA can give up to \$100,000 from each.
- The check must be made payable directly to the charity, not the IRA owner.

### QUALIFICATIONS FOR IRA (QCD)

- Needs to be an outright gift with no benefits coming back to the donor.
- Can be used to fulfill a pledge.
- Cannot be transferred to a private family foundation or a donor advised fund, or used to establish a life income gift.

## BENEFITS

### NO TAXES

- While taking a Required Minimum Distribution is a taxable event, a Qualified Charitable Distribution is NOT taxable. A Qualified Charitable Distribution also does not contribute to the taxation of your Social Security benefits if your level of income subjects you to such taxes.

### GIFT ANYTIME

- You can make these gifts at any time of year, and don't have to wait until year-end to take your IRA required minimum distribution.

### TAX BENEFITS

- You will get a tax benefit whether you use the standard deduction or itemize deductions on your taxes.
- The adjusted gross income limit does not apply to qualified charitable distributions which allows for a larger gift to be made to the charity.



## HOW TO PROCEED:

### STEP 1

Check with your tax advisor to see if a gift from your IRA is appropriate for your situation.

### STEP 2

Contact your IRA custodian to obtain any forms they may require and follow their instructions. *Note: If your IRA custodian does not have a specific form, below are sample letters to assist you. We can provide you with template Word Documents, if requested.*

### STEP 3

Let Calvary know you are intending to make a rollover distribution from your IRA, using the sample letter provided on the following pages.

## SAMPLE LETTER OF INSTRUCTION TO IRA CUSTODIAN

DATE

IRA PLAN ADMINISTRATOR  
ADDRESS

RE: Qualified Charitable Distribution from IRA

Dear Sir or Madam:

Please accept this letter as my request to make a direct charitable distribution from my Individual Retirement Account **ACCOUNT NUMBER** as provided in the Consolidated Appropriations Act of 2016.

Please issue a check in the amount of **\$AMOUNT** payable to Calvary Lutheran Church, and mail it to:

Calvary Lutheran Church  
1405 South 9th Street  
Grand Forks, ND 58201

In your transmittal to the charity, please list my name and address as the donor of record in connection with this transfer. Please copy me on your transmittal. If you have any questions, I can be reached at **(PHONE NUMBER)**.

Thank you for your assistance in this matter.

Sincerely,

PLAN OWNER/DONOR

## SAMPLE LETTER OF INSTRUCTION TO CHARITABLE ORGANIZATION

DATE

Pastor Kirk Meseck  
Calvary Lutheran Church  
1405 South 9th Street  
Grand Forks, ND 58201

RE: Qualified Charitable Distribution from IRA

Dear **SALUTATION**:

It is my pleasure to inform you that I have requested a qualified charitable distribution from my IRA with **IRA CUSTODIAN NAME**, payable to Calvary Lutheran Church in the amount of **\$AMOUNT**. It is my intent to comply with the requirements of the Consolidated Appropriations Act of 2016.

Please use my gift to strengthen the ministry of Calvary Lutheran Church by distributing it in the following way: **(GENERAL PURPOSES AND/OR FORWARD IN FAITH CAMPAIGN)**

I will await your acknowledgement with the date of my gift, the name of my IRA custodian, the amount of my gift, that the gift is a qualified charitable distribution, a statement that no goods or services were provided in exchange for the gift, and a statement that Calvary Lutheran Church qualifies as a Sec. 170(b)(1)(A) public charity and the gift is not to a Sec. 509(a)(3) supporting organization or Sec. 4966(d)(2) donor advised fund.

Sincerely,

DONOR NAME  
CONTACT INFORMATION

## ADDITIONAL INFORMATION

- Although most IRA custodians transfer IRA rollover funds directly to public charities, some IRA custodians issue a check payable to the charity but send the check to the IRA owner for forwarding to the charity. This transaction still qualifies under the law as a QCD if the check is issued payable to the charity and you deliver the check prior to December 31st.
- Even though an IRA rollover is not included in taxable income and consequently there is no income tax deduction, an IRA rollover donor must still comply with substantiation requirements under the federal tax code. Charity recipients should assist with this by providing an acknowledgment letter specific to the IRA QCD.