



Gift Options

This document provides a summary of common charitable gift options, but is not intended as legal, tax, or accounting advice and it may not be relied on for such advice. Please speak with your professional advisor.

1. Cash

Making a cash gift by check or credit card is the simplest and fastest way of supporting the library. Your gift immediately goes to the *Aram Public Library's Capital Campaign*. Gifts can be pledged over several years and we can accommodate automatic withdrawals from a bank account or recurring charges on a credit card at intervals you select (e.g., monthly).

Cash gifts also have the tax advantages of giving you an immediate charitable deduction that may reduce your income tax and may also reduce your estate tax by removing the asset from your estate.

2. Securities

Beyond helping the campaign there may be significant tax advantages to you when you donate appreciated stocks, bonds, or mutual fund shares that you've held for more than one year.

First, it is possible to reduce your income tax by taking a charitable deduction for the full appreciated value of the security. For example, if you bought stock for \$10,000 and it's now worth \$15,000 you may take a charitable deduction of \$15,000. Second, you may avoid all the capital gains tax on the appreciated security. Third, you may reduce your estate tax by removing the asset from your estate.

It's a simple process to transfer appreciated securities and we will provide transferring instructions to your broker at your request.

3. Bequests

Because of the cash needs of a capital campaign, certain criteria must be met in order to qualify a bequest as a gift to the campaign. Please contact the campaign's treasurer, John Grober, to discuss at DelavanAPLF@gmail.com.

4. **Gifts In-Kind** – The Aram Public Library welcomes in-kind gifts for the campaign. Prior to acceptance, in-kind gifts will be reviewed by campaign leadership to see if they meet the needs of the campaign and are in alignment with gift acceptance policy. In-kind gifts must be valued by the donor.

5. **IRA Qualified Charitable Distributions (QCD)** – Allows individuals over 70 ½ years old to donate up to \$100,000 in IRA assets directly to charity without taking the distribution into taxable income.

6. **Additional Information About Giving.** *On December 27, 2020, the U.S. Government enacted a second stimulus package in response to the COVID-19 pandemic, attaching it to a year-end spending bill. The new stimulus package extends many of the charitable giving provisions outlined in the original Coronavirus Aid, Relief, and Economic Security (CARES) Act signed into law in late March of 2020. As in the CARES Act, some of the charitable giving provisions specifically exclude contributions to donor-advised funds.*

The **CARES Act** important implications for charitable giving:

- **New Charitable Deduction for Non-Itemizers:** Taxpayers who take the standard deduction can claim a charitable deduction of up to \$300 for cash donations in 2021 (\$600 for married filing jointly).
- **Higher Deduction Limits:** Individuals will be able to deduct cash gifts in 2021 to the extent of their entire adjusted gross income (100%) rather than a cap at 60%.
- **Increased Deduction Limits for Corporations:** The contribution limit for corporations has been raised to 25% for cash contributions in 2021. It was formerly 10%.
- **Donor Advised Funds (DAF)** – Individual can deduct up to 60% adjusted gross income in cash and up to 30% in appreciated assets
- **Required Minimum Distributions Waived:** For the year 2021, there will be no mandatory distributions from retirement accounts, thus allowing those accounts to recover. Once they do recover, retirement funds are a tax-wise giving strategy.
- **Waiver of Penalties When Retirement Funds Are Used for Coronavirus Purposes:** If you are under the age of 59½ and withdraw money from your retirement plan to cover expenses incurred by you or a family member related to treatment of the coronavirus, the 10% tax penalty will not apply.
- For other forms of charitable gifts that offer financial advantages, please contact your attorney or financial advisor

For more information about this project or capital campaign, please contact:

For more information, contact:

Michelle Carter, Director

Aram Public Library

404 E. Walworth Avenue

Delavan, WI 53115

262-728-3111 | director@aramlibrary.org