Clean water. Healthy habitat. Thriving communities.
Connecticut River Conservancy

CHARITABLE IRA ROLLOVER
FREQUENTLY ASKED QUESTIONS (FAQ)

WHAT IS A CHARITABLE IRA ROLLOVER?

It is a simple way for people over 70½ to make charitable contributions to organizations they care for using their individual retirement account (IRA) without having to pay income taxes on the money.

IS THIS DIFFICULT TO DO?

Not at all. For most people it takes less than 20 minutes to set it up.

I HAVE HEARD ABOUT "QUALIFIED CHARITABLE DISTRIBUTIONS" (QCD). IS THIS THE SAME THING AS A CHARITABLE IRA ROLLOVER?

Yes. A QCD is the language used in the tax code, but they are more often referred to as Charitable IRA Rollovers.

WHAT IS THE MINIMUM AGE FOR MAKING A CHARITABLE IRA ROLLOVER GIFT?

You must turn 70½ prior to completing the distribution. Although the Required Minimum Distribution (RMD) is not required until age 73, the QCD can be particularly beneficial for donors who do not itemize and instead file the standard deduction.

WILL MAKING A CHARITABLE IRA ROLLOVER GIFT AFFECT MY REQUIRED MINIMUM DISTRIBUTION (RMD)?

The amount distributed to CRC will be deducted from your RMD required age 73 and older. You can contribute more than your RMD if you wish, up to $105,000 in 2024. There are some fine points one should discuss in advance with your tax preparer.

CAN I GET A TAX DEDUCTION FOR MAKING A CHARITABLE IRA ROLLOVER?

IRA rollover gifts are generally not deductible – but the money is not included in your income in the first place, which for many people is more favorable than a deduction. Since many people use the standard deduction when filing their taxes, charitable gifts may not provide an additional financial benefit.

I HAVE A ROTH IRA. CAN I USE IT FOR A CHARITABLE IRA ROLLOVER?

Roth IRAs are generally eligible for rollover treatment; however, you may wish to discuss with your financial advisor whether this is the best way for you to give.

I DON'T HAVE AN IRA. CAN I MAKE A CHARITABLE IRA ROLLOVER FROM ANOTHER TYPE OF RETIREMENT ACCOUNT?

No. Transfers must come directly from an IRA or Roth IRA. However, if you have retirement assets in a 401(k), 403(b), etc., you may be able to roll those funds into an IRA, then use the IRA for giving. Please discuss this option with your financial advisor.

WHAT IS THE MINIMUM GIFT SIZE? IS THERE A MAXIMUM?

The minimum gift size depends on the policies of your IRA custodian. The maximum distribution permitted by the IRS is $105,000, per taxpayer, per year. Again, there are some fine points one should discuss in advance with your tax preparer.

continued

ARE THERE RESTRICTIONS ON THE CHARITABLE IRA ROLLOVER?

A rollover cannot be used to make gifts when the donor receives a benefit in return (e.g., to attend a dinner).

HOW DO I INITIATE A CHARITABLE IRA ROLLOVER?

In most cases, you should start by contacting your IRA custodian as soon as you have decided to proceed. If you have an IRA with check-writing features, please be aware that your check must be made out to the "Connecticut River Conservancy" and must clear the account by December 31 to count toward the current year's RMD.

WHEN SHOULD I INITIATE A REQUEST FOR A DISTRIBUTION?

You may request a distribution at any time during the year. If you want your distribution to count toward this year's RMD, you can get a jump on the next tax year by initiating a transfer in January and no later than early December to allow ample time for any transfer to be completed.

ARE THERE SPECIAL FORMS I NEED TO USE?

Your IRA custodian may have its own form to request the transfer; if not, we have enclosed a sample instruction letter you could send to your custodian, as well as a companion letter to send to CRC so we know what you have set in motion.

CAN MY IRA GIFT SATISFY A PLEDGE OR CREATE AN ENDOWMENT?

Yes, *subject to agreement with CRC's gift acceptance policies.*

WHAT TYPE OF ACKNOWLEDGEMENT SHOULD I EXPECT?

We will send you a written acknowledgement of your gift to thank you and to confirm the amount of your gift and its intended purpose. Remember that IRA distributions are not tax deductible but they are a way to have a greater impact without increasing taxable income.

HOW DO I KNOW IF A CHARITABLE IRA ROLLOVER IS RIGHT FOR ME?

If you are age 72 or over and have an IRA, the rollover might be right for you if:

- You do not itemize deductions.
- You don't need your required minimum distribution (RMD).
- Your RMD causes more of your Social Security income to be taxed.
- You are making charitable contributions at your deduction limit, but want to give more.

I HAVE MORE QUESTIONS. WHOM SHOULD I CONTACT?

For more information, please call Chief Advancement Officer Susan Heitker at 413-490-9197 or e-mail sheitker@ctriver.org.

Please consult your advisors to be sure a charitable IRA rollover works well for you. Thank you for your consideration!

The Connecticut River Conservancy, Inc. is a tax-exempt 501(c)(3) non-profit organization with federal identification number 04-2148397.

Sample request from Plan Owner to IRA Plan Administrator

authorizing charitable distribution to CRC from Individual Retirement Account

RE: Request for Qualified Charitable Distribution from Individual Retirement Account

Dear Sir or Madam:

Please accept this letter as my request to make a direct charitable distribution from my Individual Retirement Account # (*Account Number*).

Please issue a check in the amount of $_____ payable to the organization at address below:

Connecticut River Conservancy, Inc. (CRC)
Attn: Susan Heitker, Chief Advancement Officer
15 Bank Row
Greenfield, MA 01301

CRC's Federal Tax Identification number is 04-2148397.

In order to qualify for current year treatment, it is essential that this distribution be received by The Connecticut River Conservancy no later than December 31, 202(*4*).

In your transmittal to the Connecticut River Conservancy, please give 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 or need to contact me, I can be reached at (*telephone*) and (*email address*). You can also reach Susan Heitker at CRC by telephone at 413-490-9197 or by e-mail at sheitker@ctriver.org.

Thank you for your prompt assistance in this matter.

Sincerely,

(*Plan Owner*)

(*home address*)

cc: Susan Heitker, Connecticut River Conservancy

Sample letter from Donor to The Connecticut River Conservancy

informing CRC of forthcoming qualified charitable distribution from IRA administrator

Susan Heitker, Chief Advancement Officer
Connecticut River Conservancy, Inc.
15 Bank Row
Greenfield, MA 01301

Dear Susan,

It is my pleasure to inform CRC that I have requested a qualified charitable distribution from my Individual Retirement Account at (*name of bank/brokerage firm*) payable to The Connecticut River Conservancy in the amount of $_____ from my plan trustee/administrator, (*name of trustee/administrator*). A copy of that written request is enclosed.

It is my intent to comply with the requirements of *The Trade Facilitation and Trade Enforcement Act of 2015* and Section 408(d)(8) of the Internal Revenue Code of 1986 as amended, in connection with this gift.

Accordingly, upon your receipt of payment, please send me an acknowledgement letter that states the amount of my gift and that no goods or services were transferred to me by CRC in consideration for this gift.

If you have any questions or need to contact me, I can be reached at (*telephone*). You can also reach (*name of trustee/administrator*) at (*telephone*).

Sincerely,

(*Donor*)

(*home address*)