



At Faith Bible Church, we believe that Biblical giving is personal, voluntary, regular, sacrificial and based on God's provision. We consider your giving as an investment in the Kingdom. God calls us to be good stewards of what he has blessed us with. Part of that stewardship involves managing your personal tax situation in a manner that complies with applicable laws. Due to the changes in the tax laws that go into effect in 2018, we wanted to make you aware of some strategies that may help with the stewardship of your personal finances.

- **Donating Appreciated Securities** – By donating appreciated securities, you are able to deduct the fair market value of any securities given to the church and avoid paying taxes that would have otherwise been due had you sold the securities and donated the cash proceeds to the church. This strategy enables you to enhance your donation to the church by the amount of the taxes that would have been due had you sold the securities in the first place.
- **Donor Advised Fund (DAF)** – A DAF is like a charitable savings account where you can contribute to the account as often as you want and then make donations from the account whenever you are ready. You get a tax deduction when you contribute to the account, not when you make a donation to the church. You can also donate appreciated securities to the account and realize the same benefit discussed above. Since the standard deduction under the new tax law has increased to \$12,400 for singles and \$24,800 for marrieds (as of 2020), “bunching” donations to a DAF in a single year may allow you to realize the benefit of a charitable tax deduction whereas you may not otherwise qualify.
- **Qualified Charitable Donation (QCD)** – For those members that are presently taking Minimum Required Distributions (MRD) from a retirement account such as an IRA and are over the age of 70½, the tax laws allow you to make a charitable contribution directly from your retirement account to the church. Any donation of this nature would then qualify as part of your annual MRD but is excluded from the MRD income that you are required to report on your tax return. This reduction in income can be very beneficial to you as it relates to the possible taxation of your Social Security benefits and increased Medicare premiums. The QCD is limited to \$100,000 each year.

The information above is not intended to cover all applicable aspects of the giving strategies presented. FBC encourages you to contact your personal tax advisor concerning these strategies to see if they are of benefit to your personal financial and tax situation.