Ways to Donate: Leave your Legacy by Partnering with The Ashtabula Foundation.

Developing a charitable giving strategy can help you achieve the meaningful impact you envision and take advantage of tax benefits along the way.

Direct gifts of cash These can be made by check, credit card or even payroll deduction through your employer. For donations made to private foundation, the annual limit is 30% of your AGI.

Small donation amounts each year might not create enough of a deduction to give you a tax break under the current tax law. If you plan to donate the same amount of money each year, consider "bunching" donations into a single year so you can itemize and claim the deductions.

Gifting appreciated assets If you hold publicly traded securities (stocks) or other types of assets that have appreciated in value, you may face a significant capital gains tax when you sell the asset. An alternative is to gift the appreciated asset to a qualified charity. This allows you to avoid paying the capital gains taxes you'd likely need to pay if you sold the asset for a profit.

For gifts of appreciated publicly traded securities, you can claim a tax deduction equal to the fair market value of the asset. The tax deduction cannot exceed 20% of your AGI for gifts to a private foundation.

Gifting other types of assets Other assets that can be gifted include:

- Real estate
- Life insurance policies
- Capital assets such as land, buildings, machinery, and appreciated closely-held securities that you've owned for at least one year

If your gifts exceed the tax deduction limits in the year the gift is made, you can carry the unused portion of the deduction forward up to five years. You can claim the unused deductions to the extent they fall within your deduction limits for each of those years until the entire amount has been exhausted.

Charitable remainder trust A trust can support your favorite cause and provide financial benefits for you or your family at the same time. One example is a charitable remainder trust. This irrevocable trust allows you to make a charitable gift but retain a taxable income stream (determined by the IRS) generated by those assets for a set number of years or for life. When the term ends, remaining assets are passed on to the designated charities tax-free. A portion of the contribution to the trust is tax deductible.

Charitable lead trust This type of irrevocable trust is designed as a wealth planning technique to transfer assets to family with a discounted value, or to reduce taxes on the grantor's estate after their death. The trust first pays income to a charity (based on a rate determined by the IRS) for a set number of years. When the term ends, the remaining value of the assets is directed to designated non-charitable beneficiaries.

Qualified Charitable Distribution (QCD) When you're 70 ½ or over, you can donate up to $105,000 (adjusted yearly for inflation) from your traditional or Roth IRA directly to a qualified charitable organization. If you're subject to required minimum distribution (RMD) rules (applicable after you reach age 73), a direct transfer from your IRA allows you to avoid having to pay income tax on the RMD and gives the assets directly to the charity.

Will or Estate Designation

By designating a private foundation as the beneficiary of your will, revocable trust or estate the full value will stay intact. Your estate would be entitled to a full estate tax charitable deduction and the Foundation would not pay income tax when the funds were received or distributed.

Tax planning is critical

Careful planning can help you maximize the tax benefit of your charitable giving strategy. Consider working with your tax, legal and financial professionals to determine the most efficient assets, timing, amount, and forms of the gifts you'd like to make.

If you have any questions, please feel free to contact our Office at (440)992-6818.