

Qualified Charitable Distributions (QCDs)

Senior church members, please read this to see if you can save money! Qualified charitable distributions (QCDs) are distributions from your Individual Retirement Account (IRA) made directly to a qualified nonprofit organization on a TAX-FREE basis. Sometimes called IRA Charitable Rollovers, QCDs can satisfy your Required Minimum Distribution (RMD). RMDs are normally taxed as ordinary income and could put you in a higher tax bracket. However, the value of the QCD can be subtracted from the RMD and will reduce your taxable income. QCDs allow charitable organizations to access the full amount of the transfer on a tax-free basis as well. This in turn lets you make the most of your charitable impact. It is a true win-win situation for both you and the causes you care about!

You are eligible to make QCDs if you are 70 1/2 years of age and have an IRA. You can request funds from your financial advisor or the broker in charge of your IRA to process your QCD. They often can cut a check directly to the church from your financial institution. Our recommended option is to transfer stock shares, rather than cash. This will avoid sales commissions. Fountain City UMC uses Patriot Investments to sell the stock commission free. If you are interested in this tax saving strategy, please follow these steps:

- 1.) Instruct your broker to use funds from your RMD to fund a QCD to FCUMC.
- 2.) Give the amount to be transferred.
- 3.) Ask your broker to contact Kate or Connie of Patriot Investments at 865-288-2104 to arrange the transfer.
- 4.) Ask your broker to email Ashley Garren at ashley.garren@fountaincityumc.org with the approximate QCD amount and your name. This step is important so that Ashley can ensure receipt of the funds and properly credit the contribution to you.
- 5.) Call Ashley Garren at 865-689-5175 to let her know you have begun the process of stock transfer.

Again, it is important when you give this way to ensure that your name is associated with your QCD in order to receive the proper credit from the church for your contribution. This process may seem difficult at first, but it will be easier in the future. Finally, please consider helping the church (and yourself!) by increasing your contribution and reducing the amount of taxes you pay. Should you have any questions, please contact Ashley Garren, FCUMC Financial Secretary, by phone at 865-689-5175, or by email at ashley.garren@fountaincityumc.org.

Allen Abernathy, FCUMC Finance Committee