

IRA CHARITABLE ROLLOVER

What is the IRA Charitable Rollover?

The IRA charitable rollover allows individuals age 70½ and older to make direct transfers of up to \$100,000 per year to qualified charities, like the Community Foundation. Individuals do not have to count the qualified charitable distribution (QCD) as income for federal income tax purposes. Transfers may also serve as the required minimum distribution (RMD) for individuals 72 years and older (SECURE Act, 2019).

Transfers must come from your IRA directly to the qualified charity. Additionally, gifts to qualified permanent endowment funds with the Community Foundation can take advantage of the Endow Iowa 25% state tax credit. Go to cfneia.org/endowiowa for more information.

Who Should Consider an IRA Charitable Rollover?

- Individuals age 70 ½ and older who have more money in their IRA than needed for daily living expenses and long-term care.
- Spouses who both have IRA accounts and don't need the income to support daily living expenses. Each spouse can transfer up to \$100,000 from their IRA.
- Generous donors who may give more to charity than they can deduct in a tax year because transfers from an IRA directly to a qualified charity are exempt from federal income taxes.
- Donors who regularly give a portion of their income to charity and do not itemize deductions.
- For those 72 years and older, income from your required minimum distribution (RMD) will affect the amount of your Social Security income that is taxable.
- You wish to remove up to \$100,000 from your taxable estate knowing that the IRS can impose taxes of up to 60 percent on IRA funds not distributed during your lifetime.

How to Initiate an IRA Charitable Rollover Gift?

1. Contact your IRA administrator to initiate the IRA transfer to:

Community Foundation of Northeast Iowa
3117 Greenhill Circle, Cedar Falls, IA 50613

2. Notify the Community Foundation by phone or email to let us know which fund your IRA gift should be designated to.

Call CFNEIA's Development Team at 319-287-9106 or email info@cfneia.org for more details.

"We are excited to be able to support a nonprofit we love in a way that will sustain its mission. Using the IRA charitable rollover through the Community Foundation gave us an easy way to do just that."

Bob and Jodee Richardson
Bel Canto Cedar Valley Endowment
Lead Donors

Frequently Asked Questions

To what charities can I make an IRA charitable rollover?

IRA charitable rollover gifts must be made directly to a 501(c)(3) public charity such as the Community Foundation. The Community Foundation is able to accept IRA charitable rollover transfers to start a new or give to an existing fund.

Can an IRA charitable rollover benefit a donor advised fund?

No, donor advised funds are not eligible to receive IRA charitable rollovers. In addition, IRA charitable rollovers can't be made to charitable gift annuities, charitable remainder trusts, or similar planned gifts.

The Community Foundation always recommends discussing your charitable giving plans with your professional advisor or attorney.

Confirmed in Compliance with
National Standards for U.S.
Community Foundations.



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