

**We're sorry you missed our Speaker Series on the topic: Tax-smart financial planning strategies to support our Church and School's financial needs! Presented by Kevin & Debi Edwards, CPA + Financial Advisors. If you have questions about any of these strategies, check with your personal CPA/Financial Planner or contact Kevin & Debi Edwards.**

At the session, there were 4 strategies that were shared that could be of interest to you:

1. **Qualified Charitable Distribution (QCD):** A QCD is a direct transfer of funds from your IRA custodian to a qualified charity [i.e. SPPCC] for those who are 70 ½ years of age. For those 72 years of age or older, the QCD can count towards satisfying your annual required minimum distributions (RMDs). Each taxpayer can make a QCD up to \$100,000/year. The tax benefit of a QCD is the distribution is excluded from taxable income. In addition to the income tax savings; lowering your adjusted gross income could help minimize your Medicare insurance premiums and lower the taxable portion of your social security.
2. **Qualified Appreciated Stock:** Stocks, bonds or mutual funds held for more than one year can be donated directly to SPPCC. The tax strategy is two-fold (1) the long-term capital gain [as if sold] is not included in taxable income and (2) the charitable contribution is the full fair market value of the stock, not just the excluded gain.
3. **Donor-advised Fund (DAF):** A simple, flexible and tax-efficient way to give to your favorite charities. A DAF is like a charitable investment account, for the sole purpose of supporting charitable organizations [i.e. SPPCC] you care about over time while receiving immediate tax benefit. A tax strategy for a DAF would be to establish in a year you have unusual high income [i.e. selling a business] or year of/near retirement. The goal is to "bunch" your charitable giving in a year your tax rate is higher. While at the same time allowing you to spread your giving over time.
4. **"Invest in Kids" Scholarship:** The Scholarship program provides a 75% Illinois income tax CREDIT to individuals and businesses. Obtaining the credit is a two-step process. First you apply and receive a Contribution Authorization Certificate [CAC] from the Illinois Department of Revenue [IDOR]. The second step is to make your contribution to the Scholarship Granting Organization [SGO] Empower Illinois within 60 days of the issuance of the CAC. Although there is a two-step process; the benefit received from this program out ways the minimal time required to obtain the CREDIT. In addition, SPPCS has again received a challenge from an anonymous donor for 2021. From February 1st, 2021 thru April 1st, 2021, this donor will match every \$1 our school raises in tax credit scholarships up to \$15,000. The tax benefit example is you donate \$1,000 through Invest in Kids and receive \$750 back from the IDOR on your tax return – your \$1,000 contribution cost you \$250! And with the current matching challenge; the school doubles the scholarship to \$2,000; win-win to you and the School.