

KBC MEMBERS

If you are planning to use IRA funds for your donation to Kirkwood Baptist Church for campaign, here are important factors:

- 1) You must be age 70 1/2 or older.
- 2) Your required minimum distribution assets may be used.
- 3) There are special procedures to follow:
 - a) You must obtain special withdrawal papers from your IRA custodian, stating you wish your IRA withdrawal to be sent directly to the church - This is called a Qualified Charitable Distribution.
 - b) If sent directly to the church, you will not be taxed.
 - c) Maximum donation is \$100,000.
 - d) Some forms must also be signed by the church and the church tax ID # and address needs to be on the request.
 - e) Ask for advice from your tax advisor.
- 4) Currently this is only available for 2011. The law may be extended but we won't know until later this year.
- 5) If you had planned to do this for the three years, you might want to consider higher donations in 2011 to take advantage of not paying taxes on the donation. Example: If gifting \$5,000/year, do \$15,000 in year 2011 and no taxes will be due.
- 6) Make sure your IRA is penalty free for the donation. Some IRA's are not completely liquid.
- 7) This is a favorable tax benefit for the donor.