The Missoula Family YMCA is for Youth Development, Healthy Living, and Social Responsibility. We're proud to have been serving Missoula since 1967.

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Ways to Donate to the Y

Charitable Giving: Tax Benefits & Strategies

Appreciated Stock

Individuals who donate long-term (held longer than 12 months) appreciated assets such as stocks or mutual funds may receive multiple tax benefits. By donating to charity the owner avoids capital gains on the sale and removes the asset from the estate for estate tax purposes. Additionally, donors who itemize their deductions on taxes, can qualify for a charitable deduction equal to the asset's fair value up to 30% of AGI (adjusted gross income).

Annual Gift

In 2024, a donor can make a $17,000 gift per person per year without using any of their federal estate and gift tax exemption. If they're married, the donor and their spouse can elect to split gifts, allowing the couple to gift up to $34,000 per person per year. They can also make payments for tuition and medical expenses directly to providers on someone's behalf.

Cash

When itemizing deductions for taxes, the donor can generally deduct the full amount of the cash contribution, up to 60% of AGI (adjusted gross income), to public charities.

Donor-Advised Fund Account

Consider bunching two to three years' worth of charitable donations, which may enable you to itemize your deductions and maximize your tax benefit. A donor-advised fund can be a great way to accomplish this while amplifying your charitable giving impact.

Donating to a donor-advised fund is irrevocable. These accounts are a great way to give over time. The money is invested according to a strategy agreed upon by clients and advisor, then grants are given out of the account to charity. Minimum funding is $10,000. No rule states that you have to gift all money each year, you can do $0 this year and $5,000 next year, then $2,500 the year-after, etc.

Estate Planning

Donors can add charity as the beneficiary on their accounts - investment accounts, bank accounts, even in their family trust. Even a small percent helps. Donors may have three kids listed as beneficiaries – leave each kid 30%, then 10% to charity.

Life Insurance

Individuals can also name a charity as the beneficiary on their life insurance policy. Upon death, the life insurance death benefit will be distributed to the charity in the form of check/cash.

Qualified Charitable Distribution (QCD)

If the donor is 70 ½ or older, they may qualify to exclude up to $100,000 from their adjusted gross income by donating to a qualified charity directly from their IRA (individual retirement account). Amounts donated up to the annual limit satisfy (in part or in whole) their current annual IRA RMD, while providing a reduction in taxable income regardless of whether they itemize your deductions.

Real Estate

Just like highly appreciated stocks, donors can also donate highly appreciated real estate. This helps them avoid capital gains on the sale of the property and potentially reduces future estate taxes. (Not all charities are equipped to accept real estate or manage a property's sale). Most charities want the property to be debt free and highly marketable. The charitable deduction is equal to the property's fair value, up to 30% of AGI to a public charitwy.

Other examples of real estate include interest in a business including Private C Corporations, S Corporations, Limited Liability Corporation (LLC), Limited Partnerships, and Private Equity Interests.

Donors can also leave interest in a personal residence, farm, or ranch.

Tangible Personal Property

Rather than do an estate sale upon death, consider donating art, books, jewelry, or other collectibles to charity. If the property was held for longer than a year, and one is itemizing deductions on taxes, they qualify for a 30% of AGI deduction.