

The end of the year is a good time to review financial matters, including setting priorities for the charitable gifts you would like to make in this tax year. Figuring out the best ways to maximize your tax savings and other financial incentives can help you increase the size and impact of your personal philanthropy. As you take a final look at your year-end giving, here are a few strategies and approaches to consider.

What Should I Give?

- A gift of cash via check or credit card is quick and easy – but it may not maximize your tax savings.
- A gift of appreciated assets, such as stocks or bonds that you have owned for more than one year, will save on capital gains taxes as well as generating a charitable deduction for the full fair market value of the asset, regardless of what you paid for it.
- If you have stocks or other assets that are now worth less than you paid for them, the best approach is to sell them yourself, deduct a capital loss on your taxes, and then donate the proceeds for an additional charitable tax deduction.
- Other property including life insurance policies, real estate, and personal property such as artwork, jewelry or collections can generate tax savings on gifts of items you no longer want or need.
- Creating a life income gift such as a charitable gift annuity or a charitable remainder trust generates a charitable tax deduction in the year you fund the gift. If you use appreciated assets, you'll also reduce your capital gains taxes.
- Don't forget to take advantage of your employer's matching program to increase the impact of your charitable gifts!

Charitable Gifts from your IRA

Want to get the most value from your nest egg, protect your heirs from heavy taxes and leave a legacy at Bowdoin? Consider leaving a portion of your retirement plan assets to the College.

How It Works

- If you pass away with retirement plan assets in your estate, under current law those assets are subject to income taxes in the hands of individuals.
- This can reduce the amount that normally would be passed to heirs by up to 39.6%. As of 2020, non-spouse heirs are required to withdraw inherited IRA assets within ten years following the death of the account holder, thereby eliminating the ability to "stretch" taxable distributions and related tax payments over their life expectancy.
- As a nonprofit organization, we are tax-exempt and eligible to receive the full amount and bypass any federal taxes. Income taxes can be avoided or reduced through a carefully planned charitable gift.

Consider these gift options:

- Designate Bowdoin College as the primary beneficiary for a percentage (1 to 100 percent) of your retirement plan assets.
- Designate a specific amount to be paid to Bowdoin before the remainder is divided among family beneficiaries.
- Make Bowdoin the contingent beneficiary to receive the balance only if your loved one, as primary beneficiary, doesn't survive you.

To implement your wishes, simply advise your plan administrator of your decision and sign the required forms.

Tax Pointers

- If you itemize you can deduct up to 60% of your adjusted gross income for cash gifts to Bowdoin (30% of your AGI for gifts of long term appreciated property).
- If you can't fully deduct your charitable contributions in 2024 because of AGI limits, you can carry part or all your deduction forward for up to five subsequent tax years.
- If you're on the fence between itemizing and taking the standard deduction, consider making charitable gifts for 2024 and accelerating gifts for the coming year this December. You can itemize your deductions this year and take the standard deduction in 2024.

Don't Miss the Deadlines!

For a gift to count in tax year 2024, checks in the mail must be **postmarked by Tuesday, December 31st**.

Gifts can be made via credit card on the Bowdoin website **until midnight, December 31st**.

Gifts to Bowdoin via credit card can also be made **before 5:00 pm EST on December 31st** by calling the College at 1-888-385-2254.

Gifts of cash should be made via wire transfer **before Friday, December 27th**; call 207-725-3251 for instructions.

Gifts of stock, bonds, mutual funds, IRAs, and other assets can take longer to complete. Please contact the College and your account administrator to **set a gift in motion by December 15th** at the latest.

Contact Us

The information contained in the year-end giving guide is not intended as legal or financial advice. Please consult your tax or legal advisor for additional information. We are happy to assist you as well.

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