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# The Top Questions You Want To Ask Your CPA About Your Tax-Exempt Organization

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## ... What will be covered today?

- Charitable Contributions Substantiation & Disclosure Requirements
- In Kind Contributions, Quid Pro Quo
- Advertising and Unrelated Business Income Tax
- Private Foundation Minimum Required Distribution & Tax on Investment Income
- Qualified Charitable Distributions
- Gifting Appreciated Stock
- Nonprofit Student Loan Forgiveness
- Resources

# Charitable Contributions Substantiation & Disclosure Requirements

## ... Commonly Asked Questions

- What documentation should I keep for donations?
- How do I ensure donor records are compliant?
- Is my organization responsible for providing donors with documentation for their donations?
- Is my organization responsible for determining tax deductibility of donors' donations?

## ... Documentation for Donations

### Cash Donations:

- Keep a bank record, such as cancelled check or bank statement.
- Written acknowledgement from the charity
  - This should include the organization's name, date and amount of the contribution.
- Larger donations may require more detailed statements ensuring that no goods or services were exchanged.



## ... Documentation for Donations

### Non-Cash Donations:

- Record of the description, its condition, as well as fair market value
- For high-valued items a formal appraisal of the items value may be required.
- Maintain records of these items and their donation to support the value and allow for proper deductions.

## ... Documentation for Donations

- When goods or services are supplied in exchange for a donation, that needs to be explicitly stated on the donor acknowledgement. The amount/value of the goods or services provided must be stated.
- The donor must be informed that only the amount exceeding the value of the goods or services is tax deductible. This is especially important for events where donors receive something for their donation. The main intent is to ensure that donors are fully informed, and the proper amount of donation is deducted.

Example: For a donation of \$75 a t-shirt is given to the donor. The t-shirt has a value of \$20; therefore, the charitable deduction is \$55.



## ... Documentation for Donations

- The value of a noncash donation will determine the documentation that it requires.
- Donations of property in the value of less than \$5,000 must be listed on a Form 8283.
  - The form will list out the value and description of the property as well as its condition.
- Donations of property with a value over \$5,000 require a qualified appraisal.

## ... Documentation for Donations

### Organization's Disclosure to Donors:

- Provide acknowledgement of donations of all kinds for the donor's records.
- Clearly inform donors of the value of any goods or services received in return for contributions.
- Specify the amount or portion of the donation that will be deductible – this is very important specifically for events or sponsorships.

## ... Documentation for Donations

The basic donor receipt requirements include:

1. Name of the Organization
2. A statement that the organization is recognized as tax-exempt by the IRS under Section 501(c)3
3. The name of the donor
4. Date of the donation
5. Amount of the donation (the cash contribution and description of a non-cash contributions)

## Documentation for Donations

- Maintain the proper documentation of donations from donors to remain in compliance.
- Structured documentation reinforces donor confidence.
- Maintaining these records strengthens the nonprofit's compliance and helps donors meet their tax obligations.

Thank You for Your Generous Gift to **[Organization's Name]**!

Dear **[Donor's Name]**,

On behalf of all of us at **[Organization's Name]**, thank you for your generous contribution of **[\$[Amount]]** received on **[Date]**. Your support is vital to our mission of **[Briefly state your mission]**.

This gift will directly help us **[Explain the impact]**.

For your tax records, this letter serves as official acknowledgment. As a registered 501(c)(3) organization, your donation is fully tax-deductible (EIN: **[Your EIN]**).

**[ONE of the below statements must be listed as required by IRS rules]:**

- No goods or services were provided in exchange for this contribution.
- In exchange for your gift, you received **[Description of goods/services]**.

We'd love for you to stay connected! Visit our website at **[Your Website]** to learn more or join us at our **[Upcoming Event]**.

Thank you again for being a crucial part of our community.

Sincerely,

**[Your Signature]**

**[Your Name]**

**[Organization's Name]**

## ... Documentation for Donations

- Donors can deduct a charitable contribution of up to \$250 without written acknowledgement.
- Donations over \$250 must have written acknowledgement for deduction purposes.
- Noncash contributions bring on more responsibility.
- The donor must maintain record of description, condition, and fair value of the item donated.
- Any goods or services received in exchange for the donation must be disclosed.
- Information of noncash donations need to be listed on Form 8283.

# Noncash Charitable Contributions

Attach one or more Forms 8283 to your tax return if you claimed a total deduction of over \$500 for all contributed property.

Go to [www.irs.gov/Form8283](http://www.irs.gov/Form8283) for instructions and the latest information.

OMB No. 1545-0074

Attachment  
Sequence No. **155**

Form 8283 (Rev. 12-2023)

Name(s) shown on your income tax return

Page **2**

Identifying number

Name(s) shown on your income tax return

Identifying number

Enter the entity name and identifying number from the tax return where the noncash charitable contribution was originally reported, if different from above.

Name: \_\_\_\_\_ Identifying number: \_\_\_\_\_

Check this box if a family pass-through entity made the noncash charitable contribution. See instructions ☐

**Note:** Figure the amount of your contribution deduction before completing this form. See your tax return instructions.

**Section A. Donated Property of \$5,000 or Less and Publicly Traded Securities**—List in this section **only** an item (or a group of similar items) for which you claimed a deduction of \$5,000 or less. Also list publicly traded securities and certain other property even if the deduction is more than \$5,000. If you need more space, attach a statement. See instructions.

1	(a) Name and address of the donee organization	(b) If donated property is a vehicle (see instructions), check the box. Also enter the vehicle identification number (unless Form 1098-C is attached).	(c) Description and condition of donated property (For a vehicle, enter the year, make, model, and mileage. For securities and other property, see instructions.)
A		<input type="checkbox"/>	
B		<input type="checkbox"/>	
C		<input type="checkbox"/>	
D		<input type="checkbox"/>	

**Note:** If the amount you claimed as a deduction for an item is \$500 or less, you do not have to complete columns (e), (f), and (g).

	(d) Date of the contribution	(e) Date acquired by donor (mo., yr.)	(f) How acquired by donor	(g) Donor's cost or adjusted basis	(h) Fair market value (see instructions)	(i) Method used to determine the fair market value
A						
B						
C						
D						

**Section B. Donated Property Over \$5,000 (Except Publicly Traded Securities, Vehicles, Intellectual Property or Inventory Reportable in Section A)**—Complete this section for one item (or a group of similar items) for which you claimed a deduction of more than \$5,000 per item or group (except contributions reportable in Section A). Provide a separate form for each item donated unless it is part of a group of similar items. A qualified appraisal is required for items reportable in Section B and in certain cases must be attached. See instructions.

## Part I Information on Donated Property

2 Check the box that describes the type of property donated. See instructions for definitions.

- a ☐ Art (contribution of \$20,000 or more)  
b ☐ Qualified conservation contribution  
b(1) ☐ Certified historic structure  
NPS # \_\_\_\_\_  
c ☐ Art (contribution of less than \$20,000)
- d ☐ Other real estate  
e ☐ Equipment  
f ☐ Securities  
g ☐ Collectibles  
h ☐ Intellectual property
- i ☐ Vehicles  
j ☐ Clothing and household items  
k ☐ Digital assets  
l ☐ Other

3	(a) Description of donated property (if you need more space, attach a separate statement)	(b) If any tangible personal property or real property was donated, give a brief summary of the overall physical condition of the property at the time of the gift.	(c) Appraised fair market value
A			
B			
C			

	(d) Date acquired by donor (mo., yr.)	(e) How acquired by donor	(f) Donor's cost or adjusted basis	(g) For bargain sales, enter amount received	(h) Qualified conservation contribution relevant basis (see instructions)	(i) Amount claimed as a deduction (see instructions)
A						
B						
C						

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 62299J

Form **8283** (Rev. 12-2023)

## Part II Partial Interests and Restricted Use Property (Other Than Qualified Conservation Contributions)

Complete lines 4a through 4e if you gave less than an entire interest in a property listed in Section B, Part I. Complete lines 5a through 5c if conditions were placed on a contribution listed in Section B, Part I; also attach the required statement. See instructions.

- 4a Enter the letter from Section B, Part I that identifies the property for which you gave less than an entire interest. If Section B, Part I applies to more than one property, attach a separate statement.
- b Total amount claimed as a deduction for the property listed in Section B, Part I: (1) For this tax year \_\_\_\_\_ (2) For any prior tax years \_\_\_\_\_
- c Name and address of each organization to which any such contribution was made in a prior year (complete only if different from the donee organization in Section B, Part V, below):  
Name of charitable organization (donee) \_\_\_\_\_  
Address (number, street, and room or suite no.) \_\_\_\_\_ City or town, state, and ZIP code \_\_\_\_\_
- d For tangible property, enter the place where the property is located or kept \_\_\_\_\_
- e Name of any person, other than the donee organization, having actual possession of the property \_\_\_\_\_

5a Is there a restriction, either temporary or permanent, on the donee's right to use or dispose of the donated property? **Yes No**

b Did you give to anyone (other than the donee organization or another organization participating with the donee organization in cooperative fundraising) the right to the income from the donated property or to the possession of the property, including the right to vote donated securities, to acquire the property by purchase or otherwise, or to designate the person having such income, possession, or right to acquire? **Yes No**

c Is there a restriction limiting the donated property for a particular use? **Yes No**

## Part III Taxpayer (Donor) Statement—List each item included in Section B, Part I above that the appraisal identifies as having a value of \$500 or less. See instructions.

I declare that the following item(s) included in Section B, Part I above has to the best of my knowledge and belief an appraised value of not more than \$500 (per item). Enter identifying letter from Section B, Part I and describe the specific item. See instructions.

Signature of taxpayer (donor)

Date

## Part IV Declaration of Appraiser—See instructions.

I declare that I am not the donor, the donee, a party to the transaction in which the donor acquired the property, employed by, or related to any of the foregoing persons, or married to any person who is related to any of the foregoing persons. And, if regularly used by the donor, donee, or party to the transaction, I performed the majority of my appraisals during my tax year for other persons.

Also, I declare that I perform appraisals on a regular basis, and that because of my qualifications as described in the appraisal, I am qualified to make appraisals of the type of property being valued. I certify that the appraisal fees were not based on a percentage of the appraised property value. Furthermore, I understand that a false or fraudulent overstatement of the property value as described in the qualified appraisal or this Form 8283 may subject me to the penalty under section 6701(a) (aiding and abetting the understatement of tax liability). I understand that my appraisal will be used in connection with a return or claim for refund. I also understand that, if there is a substantial or gross valuation misstatement of the value of the property claimed on the return or claim for refund that is based on my appraisal, I may be subject to a penalty under section 6695A of the Internal Revenue Code, as well as other applicable penalties. I affirm that I have not been at any time in the three-year period ending on the date of the appraisal barred from presenting evidence or testimony before the Department of the Treasury or the Internal Revenue Service pursuant to 31 U.S.C. 330(c).

Sign Here

Appraiser signature \_\_\_\_\_ Date \_\_\_\_\_

Appraiser name \_\_\_\_\_ Title \_\_\_\_\_

Business address (including room or suite no.) \_\_\_\_\_ Identifying number \_\_\_\_\_

City or town, state, and ZIP code

## Part V Donee Acknowledgment—See instructions.

This charitable organization acknowledges that it is a qualified organization under section 170(c) and that it received the donated property as described in Section B, Part I, above on the following date \_\_\_\_\_

Furthermore, this organization affirms that in the event it sells, exchanges, or otherwise disposes of the property described in Section B, Part I (or any portion thereof) within 3 years after the date of receipt, it will file Form 8282, Donee Information Return, with the IRS and give the donor a copy of that form. This acknowledgment does not represent agreement with the claimed fair market value.

Does the organization intend to use the property for an unrelated use? **Yes No**

Name of charitable organization (donee) \_\_\_\_\_ Employer identification number \_\_\_\_\_

Address (number, street, and room or suite no.) \_\_\_\_\_ City or town, state, and ZIP code \_\_\_\_\_

Authorized signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_



# In-Kind Contributions, Quid Pro Quo

## ... Commonly Asked Questions

- How are donations of goods or services properly reported?
- Does a receipt of goods/services impact the amount of the donation the donor can deduct?
- Are there goods or services that are not allowed to be exchanged?

## ... Definitions

- In-Kind Donation – another term to describe a noncash donation.
  - Examples include goods, services, or time.
- Quid Pro Quo – in simple terms, means “something for something.”
- A Quid Pro Quo donation is one that is partly of cash and partly for goods and services. The value of goods or services reduces the amount of the charitable donation deduction that can be taken.

## ... Quid Pro Quo Donations

- A Quid Pro Quo donation occurs when the donor receives goods or services in exchange for their contribution
  - Examples include a t-shirt, meal, etc.
- The Organization must disclose in a statement to the donor the specific value of the goods and services received. Note that only the amount of the contribution in excess of the value of goods or services received is tax deductible. These statements are important so that the donor is provided with accurate information and avoids the overstatement of deductions.

Example: \$100 donation is given for a \$40 event ticket; the tax-deductible donation would be \$60.

## Requirement of Disclosure

- Organizations are required to provide a disclosure statement of the value of goods and services exchanged for a donation.
- Quid Pro Quo donations more than \$75 must be disclosed in a statement to the donor to avoid penalties.
- The disclosure must:
  - Inform the donor that the deductible portion of their contribution for federal tax purposes is the amount by which the donation exceeds the value of goods/services received.
  - Provide the donor with a good faith estimate of the FMV of the goods or services the donor received.

## ... Requirement of Disclosure

According to the IRS there are some instances where a disclosure statement is not required. If any of the following apply, a statement is not required:

- The goods and services given have an insubstantial value
- There is no donative element involved (i.e.: there is not donative element from someone purchasing from a museum gift shop)
- There is only an intangible religious benefit provided to the donor (i.e.: a donor is allowed entrance to a religious ceremony in which there is no admission charged, only an intangible religious benefit is provided), or
- The donor makes a donation of \$75 or less per year and only receives annual membership benefits.



## ... Penalty for Failure to Disclose

- Charities that do not make the required disclosure of a quid pro quo contribution of more than \$75 will be penalized \$10 per donation.
- The maximum penalty is not to exceed \$5,000 per fundraising or mailing event.
- This penalty can be avoided if the proper disclosures are distributed or if the organization can show that the failure was due to reasonable cause.

# Advertising and Unrelated Business Income Tax (UBIT)

## ... Commonly Asked Questions

- Do we owe tax if we sell ad space or sponsor an event?
- What activities trigger unrelated business income tax?

## ... Advertising

- Advertising is how nonprofits improve their fundraising and outreach efforts. While advertising that promotes the organization's own programs or services generally are considered to support the organizations mission, certain advertising activities can trigger tax consequences if they are unrelated to the organization's exempt purpose.
- UBIT is triggered by income derived from a trade or business that is regularly carried out but is not substantially related to the organization's mission.

## ... Advertising



Mission-related advertising: typically is not subject to UBIT

- Promoting the organization's own programs, services or initiatives

Unrelated Advertising: will typically trigger UBIT

- Selling ad space in newsletters, websites or event programs for commercial businesses that are unrelated to nonprofits mission

## ... Advertising

To ensure that your organization will not be subject to UBIT for advertising:

- Keep accurate records of the purpose of all advertising activities.
- Distinguish between any mission-related and unrelated advertising.
- Report any unrelated activity and pay the applicable UBIT to avoid fines and penalties.



## ... UBIT Triggers

- Any unrelated trade or business carried out by the organization can trigger a UBIT.
- It is important that all activities carried out by the organization are related to the exempt purpose, if not the Organization may be put into a position where they have a tax liability despite their nonprofit status.

Examples of activities that trigger UBIT:

- Certain advertising
- Sale of goods/services to the general public
- Renting personal property
- Public use of facilities

# Private Foundation Minimum Required Distribution

## ... Private Foundations

Private foundations are required to actively support charitable purposes rather than indefinitely accumulate assets.

Two things regulate this requirement:

- Minimum required distributions (MRD) and
- Excise tax on investment income

## ... Minimum Required Distributions (MRD)

- MRDs are a certain percent of their asset value each year that must be distributed.
- A minimum of 5% of the average fair market value of their investment assets must be distributed to qualified charitable organizations to maintain the private foundation status.
- This distribution must be made within the twelve-month period following the end of the tax year (i.e.: Tax year 2025 distributions must be made by December 2026).

## ... Qualified Distributions

Qualified Distributions are distributions that can count towards the annual requirement for MRD. These include:

- Grants to public charities,
- Administrative expenses related to grant making,
- Costs associated with conducting the foundation's own charitable programs, and
- Expenses for acquiring assets used directly in the foundation's exempt activities.

\*Note expenses pertaining to investment management do not count as qualified distributions.\*

## ... Qualified Distributions

- Excess qualifying distributions may be carried forward for 5 years immediately following the tax year that excess amount was created.
- If the foundation fails to pay out the required distribution in a timely manner, they are subject to a 30% excise tax. This tax is charged for each year or partial year that the deficiency is not rectified.
- Additionally, 100% tax is triggered if the foundation fails to correct the shortfall within 90 days of receiving a notification directly from the IRS on its failure to meet the MRD.



# Form 990-PF Example

## Part IX Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities .....	1a	19,421,774.
b	Average of monthly cash balances .....	1b	393,762.
c	Fair market value of all other assets (see instructions) .....	1c	
d	<b>Total</b> (add lines 1a, b, and c) .....	1d	19,815,536.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) .....	1e	0.
2	Acquisition indebtedness applicable to line 1 assets .....	2	0.
3	Subtract line 2 from line 1d .....	3	19,815,536.
4	Cash deemed held for charitable activities. Enter 1.5% (0.015) of line 3 (for greater amount, see instructions) .....	4	297,233.
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3 .....	5	19,518,303.
6	<b>Minimum investment return.</b> Enter 5% (0.05) of line 5 .....	6	975,915.

## Part X Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations, check here ☐ and do not complete this part.)

1	Minimum investment return from Part IX, line 6 .....	1	975,915.
2a	Tax on investment income for 2024 from Part V, line 5 .....	2a	8,767.
b	Income tax for 2024. (This does not include the tax from Part V.) .....	2b	
c	Add lines 2a and 2b .....	2c	8,767.
3	Distributable amount before adjustments. Subtract line 2c from line 1 .....	3	967,148.
4	Recoveries of amounts treated as qualifying distributions .....	4	0.
5	Add lines 3 and 4 .....	5	967,148.
6	Deduction from distributable amount (see instructions) .....	6	0.
7	<b>Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XII, line 1 .....	7	967,148.

## Part XI Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26 .....	1a	953,465.
b	Program-related investments - total from Part VIII-B .....	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes .....	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required) .....	3a	
b	Cash distribution test (attach the required schedule) .....	3b	
4	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part XII, line 4 .....	4	953,465.

Form 990-PF (2024)

# Form 990-PF Example

<b>Part XII Undistributed Income</b> (see instructions)		(a) Corpus	(b) Years prior to 2023	(c) 2023	(d) 2024
<b>1</b> Distributable amount for 2024 from Part X, line 7					<b>967,148.</b>
<b>2</b> Undistributed income, if any, as of the end of 2024:					
<b>a</b> Enter amount for 2023 only				<b>816,736.</b>	
<b>b</b> Total for prior years:			<b>0.</b>		
<b>3</b> Excess distributions carryover, if any, to 2024:					
<b>a</b> From 2019					
<b>b</b> From 2020					
<b>c</b> From 2021					
<b>d</b> From 2022					
<b>e</b> From 2023					
<b>f</b> Total of lines 3a through e		<b>0.</b>			
<b>4</b> Qualifying distributions for 2024 from Part XI, line 4: \$ <b>953,465.</b>				<b>816,736.</b>	
<b>a</b> Applied to 2023, but not more than line 2a					
<b>b</b> Applied to undistributed income of prior years (Election required - see instructions)			<b>0.</b>		
<b>c</b> Treated as distributions out of corpus (Election required - see instructions)		<b>0.</b>			
<b>d</b> Applied to 2024 distributable amount					<b>136,729.</b>
<b>e</b> Remaining amount distributed out of corpus		<b>0.</b>			
<b>5</b> Excess distributions carryover applied to 2024 (if an amount appears in column (d), the same amount must be shown in column (a))		<b>0.</b>			<b>0.</b>
<b>6</b> Enter the net total of each column as indicated below:		<b>0.</b>			
<b>a</b> Corpus. Add lines 3f, 4c, and 4e. Subtract line 5		<b>0.</b>			
<b>b</b> Prior years' undistributed income. Subtract line 4b from line 2b			<b>0.</b>		
<b>c</b> Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed			<b>0.</b>		
<b>d</b> Subtract line 6c from line 6b. Taxable amount - see instructions			<b>0.</b>		
<b>e</b> Undistributed income for 2023. Subtract line 4a from line 2a. Taxable amount - see instr.				<b>0.</b>	
<b>f</b> Undistributed income for 2024. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2025					<b>830,419.</b>

# Private Foundation Tax on Investment Income

## ... Excise Tax on Investment Income

- Private Foundations are subject to excise tax on investment income earned, this includes interest, dividends, rents, royalties and capital gains.
- The excise tax for tax years beginnings after December 20, 2019 is 1.39% of net investment income.
- This tax must be reported on the Foundation's Form 990-PF, and the tax is subject to estimated tax payment requirements.

# Form 990-PF Example

## Part IX Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities .....	1a	19,421,774.
b	Average of monthly cash balances .....	1b	393,762.
c	Fair market value of all other assets (see instructions) .....	1c	
d	<b>Total</b> (add lines 1a, b, and c) .....	1d	19,815,536.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) .....	1e	0.
2	Acquisition indebtedness applicable to line 1 assets .....	2	0.
3	Subtract line 2 from line 1d .....	3	19,815,536.
4	Cash deemed held for charitable activities. Enter 1.5% (0.015) of line 3 (for greater amount, see instructions) .....	4	297,233.
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3 .....	5	19,518,303.
6	<b>Minimum investment return.</b> Enter 5% (0.05) of line 5 .....	6	975,915.

## Part X Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations, check here ☐ and do not complete this part.)

1	Minimum investment return from Part IX, line 6 .....	1	975,915.
2a	Tax on investment income for 2024 from Part V, line 5 .....	2a	8,767.
b	Income tax for 2024. (This does not include the tax from Part V.) .....	2b	
c	Add lines 2a and 2b .....	2c	8,767.
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4	Recoveries of amounts treated as qualifying distributions .....	4	0.
5	Add lines 3 and 4 .....	5	967,148.
6	Deduction from distributable amount (see instructions) .....	6	0.
7	<b>Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XII, line 1 .....	7	967,148.

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1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26 .....	1a	953,465.
b	Program-related investments - total from Part VIII-B .....	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes .....	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required) .....	3a	
b	Cash distribution test (attach the required schedule) .....	3b	
4	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part XII, line 4 .....	4	953,465.

Form 990-PF (2024)

# Form 990-PF Example

## Part XII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2023	(c) 2023	(d) 2024
1 Distributable amount for 2024 from Part X, line 7				967,148.
2 Undistributed income, if any, as of the end of 2024:				
a Enter amount for 2023 only			816,736.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2024:				
a From 2019				
b From 2020				
c From 2021				
d From 2022				
e From 2023				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2024 from Part XI, line 4: \$ 953,465.				
a Applied to 2023, but not more than line 2a			816,736.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2024 distributable amount				136,729.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2024 (if an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2023. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2024. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2025				830,419.

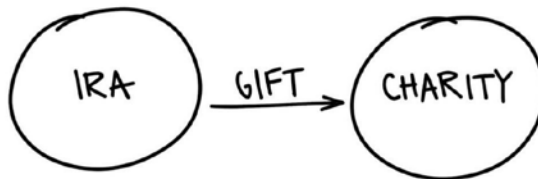
# Qualified Charitable Distribution (QCD)



## ... Qualified Charitable Distribution (QCD)

- QCDs offer owners of an IRA that are subject to required minimum distributions a tax-advantaged way to support charitable organizations.
- A QCD allows the funds to be directly transferred to a charity from the IRA without including this distribution in gross income.

### QUALIFIED CHARITABLE DISTRIBUTIONS



## ... Qualified Charitable Distribution (QCD)

### Eligible Distributions

- Donor must be the age of 70 ½ or older.
- The funds must be transferred directly from the IRS custodian to a qualified charity.
- Distributions of this nature benefit the donor as the IRA distribution is not included in taxable income and is particularly valuable to those taxpayers who do not itemize deductions.

## ... Qualified Charitable Distribution (QCD)

Certain contributions do not qualify for a QCD such as donations to:

- Donor-advised fund (DAF)
- Private Foundations
- Amounts exceeding the annual QCD limit (for 2025 this limit is \$108,000, in 2026 this is increased to \$111,000)

## ... Qualified Charitable Distribution (QCD)

Documentation to substantiate a QCD should be maintained-

- This can include a proof of transfer such as a bank statement or receipt from the charity to support the tax reporting of the QCD.

# Gifting Appreciated Stock

## ... Gifting Appreciated Stock

- Gifting appreciate stock over cash is a tax beneficial way for donors to make donations.
- This approach allows individuals to contribute stock that has increased in value without incurring capital gains tax.
- A deduction would be allowable based on the fair market value of the securities at the time of the gift.

## ... Gifting Appreciated Stock

- A donation of stock directly to a charity typically allows a donor to avoid capital gains tax.
- This increases the donors giving power because the charity receives the same amount of cash while the donor receives the tax benefit of a donation.



## ... Gifting Appreciated Stock - Documentation

- To receive the tax deduction, the stock must be transferred directly to the nonprofit's brokerage account rather than being sold first.
- Nonprofits should have clear guidelines on receiving, processing and liquidating donated securities.
- Donors must retain a written acknowledgement from the organization confirming the date of the gift as well as a description of the securities.

## ... Gifting Appreciated Stock

- Gifting stock greatly benefits the donor as they can donate long appreciated stock and support their favorite charities while maximizing their tax benefits as well.
- This also benefits the organization as it gives them an asset that can be liquidated to support programs and the organization's overall mission.

# Nonprofit Student Loan Forgiveness

## ... Nonprofit Student Loan Forgiveness

Public Service Loan Forgiveness (PSLF ) – if you are employed by a government or nonprofit, you may be eligible for PSLF Program. This program forgives the remaining balance on Direct Loans.

- Once you have made 120 qualifying monthly payments under an acceptable repayment plan
- While working full-time for an eligible employer

## ... Applying for PSLF

- To be considered for PSLF you must submit a PSLF application.
  - There is a tool to assist in completing this application.
- It will check if your employer is already in the PSLF database.
- Request the employer's eligibility to be reviewed if it is not in the database already.
- Prepare and sign the PSLF form and request certification and signature from employer.

## ... Qualifying for PSLF

To qualify for PSLF the following must be true:

- Be employed by a US federal, state, local or tribal government or qualifying nonprofit (this included US military service),
- Work full-time for the agency or organization,
- Have Direct Loans (or consolidate other federal student loans into a Direct Loan),
- Repay loans under an income-driven repayment plan or a 10-year standard repayment plan, and
- Have made 120 qualifying payments, these do not need to be consecutive.

## ... Qualifying Employment

- Qualifying employment is not what you do for work, rather who you work for.
- Ineligible employers would be for-profit organizations, labor unions or partisan political organizations.



## ... Full-Time Employment

- To be considered a full-time employee you must work a weekly average, alone or when combined of 30 hours:
  - During the period being certified
  - Throughout a contractual or employment period of at least 8 months in a year (elementary or middle school teachers count as full-time in this scenario)
  - Determined by multiplying each credit hour taught per week by at least 3.35 in a non-tenure tack employment of a higher education

\*Routine paid leave and leave taken under Family and Medical leave Act of 1993 is to be included in this calculation. Volunteer work will not be included.\*

## ... Eligible Loans

- Direct PLUS, FFEL, and Perkins loans are eligible for PSLF if they are first consolidated into a Direct Consolidation Loan.
- Loans consolidated after September 1, 2024, the qualifying payments made on the Direct Loan will be the weighted average of those payments.
- As a part of payment count adjustment, payments from all loans included in a Direct Consolidation loan, including FFEL Programs and Perkins loans will be included and count towards the 120 qualifying payments needed for PSLF.

## ... Qualifying Payments and Payment Plans

- A qualifying payment is a monthly payment made while employed full-time by the qualifying employer while under a qualified repayment plan for the full amount shown on your bill.
- An income driven repayment (IDR) plan is a qualified plan, there are multiple IDR plans to select:
  - Income-Based Repayment (IBR)
  - Income-Contingent (ICR)
  - Pay As You Earn (PAYE)
  - Saving on a Valuable Education (SAVE)

# Resources

## Nonprofit Resources

- National Council of Nonprofits - [www.councilofnonprofits.org/](http://www.councilofnonprofits.org/)

Valuable resource reporting on current trends and policies

- TechSoup - [www.techsoup.org](http://www.techsoup.org)

Offers discounted services to implement and manage your organization's technology, can help reduce computer software expenses (i.e., QuickBooks)

- GuideStar - [www.guidestar.org](http://www.guidestar.org)

Provides nonprofit organizations with up-to-date data. How does your organization compare to those who are similar?

- Tax Foundation – [www.taxfoundation.org](http://www.taxfoundation.org)

Nonpartisan tax policy 501(c)(3) nonprofit

# Questions







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