



## The CARES Act and Your Philanthropy in 2020

As a direct response to the COVID-19 Pandemic and to address the economic hardship many are facing as a result, the CARES Act (The Coronavirus Aid, Relief, and Economic Security Act) was adopted on March 27, 2020.

Among other provisions, the CARES Act provides three strong incentives to encourage charitable and philanthropic giving. While donor advised funds, private (family) foundations, and supporting organizations are excluded, Community Foundation of Acadiana (CFA) affords unique and impactful options.

### Key Takeaways and Benefits to Donors

#### 1. FOR TAXPAYERS WHO TAKE THE STANDARD DEDUCTION

The Act establishes a new universal charitable contribution. Cash contributions of up to \$300 to qualifying charitable organizations are eligible for an above-the-line tax deduction in 2020. *This deduction is not available to taxpayers who itemize.*

#### 2. FOR TAXPAYERS WHO ITEMIZE

For taxpayers who itemize, for 2020, the Act eliminates the cap on annual cash contributions, raising it from 60% of AGI (Adjusted Gross Income) to 100%. Any excess contributions available can be carried over to the next five years.

#### 3. FOR CORPORATIONS

For corporations, the CARES Act raises the annual limit on deductions from 10% to 25% of taxable income.

### About Your IRA

The CARES Act waives the requirement to withdraw, in 2020, the RMDs (Required Minimum Distributions) for those individuals who have attained age 70 ½ in 2019 or before, or who have attained age 72 in 2020. This allows IRA owners to keep funds in their IRAs and other qualified retirement plans. However, Qualified Charitable Distributions (QCDs) to qualified charitable organizations from an IRA are still an option, just as before. While donor advised funds, private (family) foundations, and supporting organizations are excluded, Community Foundation of Acadiana affords other unique and impactful options.



## Other Tax-Smart Strategies

### *(Independent of the CARES Act)*

- Establish Your Named Donor-Advised Fund at CFA to receive immediate tax benefits and support qualified charitable organizations (nonprofits, churches, schools) of your choice over time.
- “Bunch” multiple years of charitable and philanthropic contributions in one calendar year to exceed the standard deduction in a given year for maximum tax benefits.
- Avoid capital gains by donating appreciated publicly traded securities to Your Named Donor Advised Fund to benefit qualified charitable organizations (nonprofits, churches, schools) of your choice over time.

## Your Passion Your Generosity Improving Your Community

Community Foundation of Acadiana affords unique options and opportunities to accommodate and customize your charitable and philanthropic objectives, publicly or anonymously, immediate and in perpetuity, named after you or in memory or honor of someone.

- Named Permanent (Discretionary) Fund
- Scholarship Fund
- Designated Fund
- Acadiana Disaster Response Fund
- Membership / Partnership / Sponsorship