



IRA Charitable Rollover

Updated February 1, 2011

What is it?

The law uses the term “qualified charitable distribution” to describe an IRA charitable rollover. A qualified charitable distribution is money that individuals who are 70½ or older may direct from their traditional IRA to eligible charitable organizations. You may direct up to \$100,000 in charitable distributions from individual IRAs in one year. The amount distributed directly to an eligible charity may be excluded from your gross income.

When does the provision expire?

The provision applies only to qualified charitable distributions made before January 1, 2012.

Will I get a charitable deduction for income tax purposes?

Because the distribution going to an eligible charitable beneficiary passes directly from your IRA trustee to the recipient, it will not count as income to you. Therefore, you cannot also receive a charitable deduction for those funds on your federal income tax return. To do so would amount to receiving a double benefit, which is prohibited under law. You will receive a receipt for your records.

A few states, including New Jersey, have a different treatment of charitable rollovers from IRA accounts. In these states, the impact on each individual’s income tax situation will be different, so we encourage you to speak with your tax advisor before you make a gift.

May I make a qualified charitable distribution to my donor advised fund?

By law, donor advised funds cannot be the recipients of qualified charitable distributions. Many other kinds of funds held at the Community Foundation – field of interest funds (including The Fund for Women and Girls, Mental Health Fund, Princeton Youth Fund), designated funds, our Future Fund and our Greater Mercer Grants Fund, and nonprofit endowments – may all receive qualified charitable distributions.

How do I make a qualified charitable distribution?

Direct the trustee of your IRA to make the distribution directly to the Princeton Area Community Foundation. Our tax ID number is 52-1746234.

I have more questions. Who should I call?

The Community Foundation is happy to answer any questions you have. Please contact Elizabeth Wagner, Vice President Development, at 609.219.1800 extension 12, or email her at ewagner@pacf.org.