



THE CLIBURN

Donors & The CARES Act

While tax benefits are rarely the primary consideration when making a charitable gift, the advantages of the CARES Act may inform how—and how much—you can give at this time. In the face of economic turbulence, which continues to rattle the economy and nonprofits, many are asking: what can I do? The CARES Act, a sweeping \$2 trillion stimulus bill passed by Congress in response to COVID-19, encourages individuals across the income continuum to participate in the American tradition of charitable giving. Your consideration of giving at this time is admirable.

What can I do?

- Is your annual donation about to come due? Renew it—and consider an upgrade.
- Did you purchase tickets to a performance or the gala? Convert them into an outright gift.
- Are you watching the free online programming? Make a general donation to help cover costs.
- Do you want to see more online programming? Make a general donation to help cover costs.

How (and how much) should I consider giving?

- Gifts of all sizes are essential—now more than ever. Those who have the good fortune of stable work or robust savings may consider giving back in the following ways:
 - ✓ Donate what you receive from the CARES Act. Eligible households will receive payments of up to \$2,400 (joint filers) plus \$500 per child. Some households may not need the cash, and, as an added incentive, the payments are received tax-free, but charitable gifts can result in a tax deduction.
 - ✓ The \$300 Universal Charitable Deduction. Individuals who take the standard deduction on their tax return (non-itemizers) can contribute up to \$300 cash (possibly \$600 for a household filing jointly) to most 501(c)(3) charitable organizations and claim a new “above-the-line” deduction on their 2020 taxes. Previously, there was no charitable contribution tax deduction available for taxpayers who did not itemize deductions.
 - ✓ Individuals who itemize their deductions can deduct up to 100% of their adjusted gross income (AGI) for cash contributions to most 501(c)(3) organizations for 2020, effectively eliminating their federal tax liability in 2020. The deduction was previously capped at 60% of AGI for cash contributions. You’ll do well by doing good: supporting a meaningful cause, while eliminating capital gains taxes and reducing your taxable income.

Why should I consider giving?

- Giving is about much more than making a donation. It is about making a difference. Your gift during this time of uncertainty will help to sustain operations. And your generosity will preserve programs so they can lift our spirits and our society once again when the pandemic ends.
- A charitable gift at this time is also a declaration of your faith in the future. It is an action you can take today that will not only make a difference to society; it will make a difference to your own outlook for the future. Scientific evidence confirms that charitable giving makes you feel better.

Please Note: The Cliburn does not provide tax, legal, or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal, or accounting advice. Donors should consult their own tax, legal, and accounting advisors before engaging in any transaction. Source: Benefactor Group. This information is based on information available as of 4/20/2020.