



YEAR-END FINANCIAL PLANNING CONSIDERATIONS FOR 2022

Here is a reminder about the different ways to give for consideration with your end-of-year tax and financial planning:

Donations via US Credit Card, PayPal or other merchant processors must be made by midnight on December 31 in your time zone (statement must be stamped with a 2022 date) to be eligible for a 2022 tax deduction;

Check envelopes must be postmarked by December 31, 2022 to be eligible for a 2022 tax deduction;

Wires or electronic funds transfers must be sent by December 30, 2022 in order to be eligible for a US 2022 tax deduction (December 30 is the last banking day);

Gifts of Appreciated Stock – Must be transferred out by your broker no later than December 31, 2022. The option of giving of qualified appreciated stock held for over 1 year is becoming more popular. Shepherd maintains a brokerage account where it is very easy to transfer the appreciated stock as a gift. This is beneficial to both Shepherd and the giver as the giver may be able to deduct the appreciated value of the stock and avoid capital gains tax on the gain of the stock.

Gifts from Required Minimum Distributions – For those in a situation that requires minimum distributions from a retirement account (called required minimum distribution or RMD), there is an option called “Qualified Charitable Distribution” or QCD. Individuals turning 72 and those that turned 70 ½ in 2019 should verify they are making the proper RMD and consider the QCD as a possible way of avoiding paying tax on the RMD. The QCD must come directly from the retirement account custodian. If you are giving to Shepherd (or other qualified charities) and taking a RMD directly, please consider the QCD as this could potentially save you in additional taxes.

Donor Advised Fund (DAF) Giving – If you participate with gifts to a DAF, please consider including Shepherd of the Hills as a designee of your DAF gifts. If you are interested in setting up a DAF that may have significant tax benefits, the ELCA Foundation may be a viable option for you. More information about DAF and setting it up is available here. – (www.elca.org/Resources/ELCA-Foundation)

Charitable Remainder Trust – If you have set up a CRT, please consider adding Shepherd of the Hills as a beneficiary of the trust. The CRT is a good option if you want an immediate charitable deduction, but also have a need for an income stream to yourself or another person. It is also a good option if you want to establish one by will to provide for heirs, with the remainder going to charities of your choosing. Please consult your financial adviser regarding setting up a CRT or adding Shepherd of the Hills as a beneficiary.

For assistance in arranging gifts to Shepherd of the Hills, please contact Kevin Marlow, Finance Controller – email – kmarlow@shephills.org or call the office – 512-327-3370. Please consult your financial and tax professionals for further information and any financial or tax advice. The above opportunities are only to suggest some possible alternatives and does not constitute legal, financial or tax advice.