



St. Croix Catholic
SCHOOL



Give from your IRA with a Qualified Charitable Distribution (QCD)

Tax-Smart Giving for Mission Partners Age 70½+

WHAT IS A QUALIFIED CHARITABLE DISTRIBUTION?

A Qualified Charitable Distribution (QCD) is a direct transfer from your IRA to a qualified charity. Beginning the year you turn 70½, you may give this way; if you are 73+, a QCD can also count toward your Required Minimum Distribution (RMD) for the year.

2026 annual limit: Up to \$111,000 per person (indexed for inflation). Married couples filing jointly may each give up to the annual limit from their own IRAs.

WHY DO PEOPLE USE QCDS?

- **Lower taxable income.** A QCD is **excluded from income**, which can help with tax brackets, IRMAA/Medicare premiums, and deduction phase-outs.
- **Satisfy RMDs.** If you're 73 or older, a QCD can fulfill all or part of your **RMD** for the year.
- **Simple.** No itemized deduction is required; you give directly from your IRA to the school.

Deadline: Your charity must **receive the QCD by December 31** to count for that tax year.

WHO AND WHAT QUALIFIES?

Eligible accounts: Traditional IRAs, Rollover IRAs, Inherited IRAs, and inactive SEP or SIMPLE IRAs. (401(k) or 403(b) funds must be rolled to an IRA first.)

Ineligible recipients: Donor-advised funds, supporting organizations, and most private foundations.

Important: The transfer must go directly from your IRA to St. Croix Catholic School. QCDs cannot provide benefits (e.g., tuition, tickets, dinners, auctions) in exchange for the gift.

HOW TO MAKE A QCD IN THREE EASY STEPS*

1. **Choose your IRA.** Confirm you're 70½ or older and select the IRA to use.
2. **Provide your custodian with:**
 - **Legal Name:** St. Croix Catholic School
 - **EIN:** 41-1731931
 - **Address:** 621 Third Street S, Stillwater, MN 55082
 - **Contact:** Kate Dudley, Director of Advancement, (651) 439-5581 x 310
3. **Instruct a direct transfer.** Ask your custodian to send a check payable to St. Croix Catholic School, and to include your name in the memo.



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Tax-Smart Giving for Mission Partners Age 70½+

WHAT YOU'LL RECEIVE FROM US

A contemporaneous acknowledgment stating the amount and date received and that no goods or services were provided in exchange for your contribution. Keep this with your tax records.

SAMPLE EMAIL TO YOUR IRA CUSTODIAN

Subject: Qualified Charitable Distribution from my IRA

Please process a Qualified Charitable Distribution (QCD) from my IRA [account #] in the amount of \$[amount], payable to: St. Croix Catholic School, EIN 41-1731931, 621 Third Street S, Stillwater, MN 55082.

Please include my name and address with the check or electronic notice so the charity can acknowledge the gift. I request this be completed in the current tax year. Thank you.

REPORTING & DOCUMENTATION (FOR YOUR TAX PREPARER)

- You'll receive Form 1099-R from your custodian.
- On Form 1040, enter the full distribution on line 4a and the taxable amount (reduced by your total QCDs) on line 4b with the notation "QCD."
- Keep the charity's acknowledgment with your records.

Note: QCDs are NOT claimed as charitable deductions because they are excluded from income.

QUICK RULES & COMMON PITFALLS

- **Age:** You must be 70½ or older on the date of the gift.
- **Annual cap:** Up to \$111,000 (2026) per person across all QCDs for the year.
- **Account type:** QCDs cannot come from an ongoing SEP or SIMPLE IRA that is receiving employer contributions this year.
- **No benefits:** QCDs cannot pay for event tickets, sponsorships with benefits, or auctions.
- **DAFs/supporting orgs:** Not eligible recipients.
- **Rollover needed:** 401(k)/403(b) assets must be rolled to an IRA before a QCD can be made.
- **Post-70½ IRA deductions:** If you make deductible IRA contributions after age 70½, the amount that can be treated as a QCD may be reduced.

THANK YOU!

Your generosity helps students encounter Jesus Christ, growing in our mission to unite families to form scholars, disciples, and servant leaders.

This sheet provides general information and is not legal or tax advice.

Please consult your tax advisor about your situation.



Gifting Appreciated Stocks or Mutual Funds

Give More Than You Thought Possible

GIFTING APPRECIATED STOCKS OR MUTUAL FUNDS

Donating appreciated securities is a powerful way to support our mission!

DONOR BENEFITS

- **Scale.** Make a larger gift without affecting cash flow.
- **Legacy.** Leave a lasting legacy by supporting Catholic education.
- **Impact.** Direct your gift to the areas of ministry most meaningful to you.

Deadline: Your contribution must be received by **December 31st** of the tax year.

WHO AND WHAT QUALIFIES?

Eligible Donors: Individuals, couples or families with appreciated stocks or mutual funds.

Corporate Donors: Corporations or businesses may donate publicly traded and closely held (including family businesses, C-corp, and S-corp) stocks; however, closely held stocks are more complex.

HOW TO MAKE A GIFT OF APPRECIATED STOCKS IN THREE EASY STEPS

1. **Notify Your Broker:** Contact your broker or financial advisor to transfer shares directly to our brokerage account.
2. **Transfer Instructions:**
 - **Legal Name:** St.Croix Catholic School
 - **EIN:** 41-1731931
 - **Gift Processed by:** Pershing, LLC DTCC # 0443
 - **Account Number:** #5CV412697
 - **Contact:** Kate Dudley, Director of Advancement, (651) 439-5581 x 310
3. **Notify the School. Please notify us so we can properly acknowledge your gift. We will liquidate the securities and put the proceeds to work for our mission!**



Gifts of Appreciated Stocks or Mutual Funds

Give More Than You Thought Possible

WHAT YOU'LL RECEIVE FROM US

A contemporaneous acknowledgment stating the name, number of shares of stock/mutual fund given and date received as well as stating that no goods or services were provided in exchange for your contribution. Keep this with your tax records.

TAX BENEFITS OF GIFTING APPRECIATED SECURITIES

- **Avoid capital gains tax** on securities held for more than one year.
- **Deduct the fair market value** of your gift (up to IRS limits).
- **Lower your taxable income** while maximizing charitable impact.

IMPORTANT CONSIDERATIONS:

Because of the complexity, donors usually coordinate these gifts with:

- A tax advisor/CPA
- An attorney (especially for shareholder agreements)
- The charity's development office to confirm acceptance

QUICK RULES & COMMON PITFALLS

- **Hold More Than One Year:** To deduct the fair market value, securities must be held long-term (more than 12 months). Short-term holdings only allow a deduction of cost basis.
- **Transfer Shares Directly:** Always transfer stock directly to the charity's account; don't sell first. Selling first triggers capital gains tax for the donor.
- **Use Publicly Traded Securities:** Most charities can easily accept market-traded stocks and mutual funds. Closely held or restricted stock may require board approval, legal review, or appraisal.
- **Get Proper Valuation:** Value is based on the average of the high and low trading prices on the date of transfer. Do not assume the value is simply the closing price or when your broker processed it.
- **Mind the Deduction Limits:** Deduction for appreciated securities is limited to 30% of Adjusted Gross Income (AGI); however, excess deductions can be carried forward for up to five years.
- **Notify the Charity:** Let the charity know the gift is coming, so they can identify it and issue a proper receipt. Anonymous transfers can delay your gift acknowledgment.
- **File IRS Form 8283 if Needed:** The donor is responsible for completing Form 8283 and filing it with their tax return when they claim a deduction for non-cash gifts over \$500. For larger or complex assets, an appraisal may be needed.

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