

Charitable Gifts in 2020 - How the CARES Act may impact your donations

On March 27, 2020, the United States Congress passed and President Trump signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act – legislation that provides an unprecedented and massive array of relief, benefit, and stimulus measures designed to help Americans, businesses, nonprofits, and state and local governments amid the coronavirus crisis.

The following information is an excerpt taken from a summary entitled, **CARES Act Signed Into Law, Contains Massive Relief and Stimulus Provisions for Nonprofits**, prepared by Batts Morrison Wales & Lee, P.A. - www.nonprofitCPA.com for the Evangelical Council for Financial Accountability (ECFA).

Summary.

Above-the-Line Charitable Contribution Deduction

- For the year 2020, individual taxpayers who do not itemize deductions may claim up to \$300 of charitable contributions made as a deduction in arriving at adjusted gross income.

Charitable Contribution Deduction Limits Increased

- Cash contributions made by individual taxpayers in 2020 to public charities are subject to a limit of 100% of adjusted gross income – not the 60% limit that regularly applies
 - It appears that cash contributions by individuals to private foundations also have a 100% of AGI limit for 2020.
 - Contributions to supporting organizations or donor advised funds do not qualify for the increased limit.
- Cash contributions made by corporations in 2020 to public charities or private foundations are subject to a limit of 25% of pretax income – not the 10% limit that regularly applies
 - Contributions to supporting organizations or donor advised funds are not eligible for the increased limit.
- Excess contributions above these limits may be carried over.
- The limit on deductible food inventory contributions is increased from 15% to 25% of pretax income.

We provide this so you may be informed and encouraged in your charitable giving during this time. We recommend you consult with your C.P.A. for details on how the CARES Act of 2020 will impact you personally and/or corporately.

For more questions please contact Bryan Jacobson, Director of Advancement at 701-349-5770 or bjacobson@trinitybiblecollege.edu.