

Where has the time gone? As the new year approaches, we celebrate with friends and family, like you.

Amid the flurry of activity, this is also a time of important reflection. As 2019 ends, are you asking yourself:

- Who are the people I want to connect and spend time with before 2019 is over?
- Are there organizations, which have played an important role in my life, that would benefit from my support?
- Which institutions can I support to advance my values and priorities?
- What is my tax liability and can charitable giving help reduce it?

You're not alone, and, so, it is not surprising that more than 50% of charitable giving in the United States occurs in the final two months of the year. This annual outpouring of generosity is what helps support students and build programs that train our diverse workforce at Metro State.

At Metropolitan State University Foundation, we remain ever hopeful that those who believe in our mission and vision will continue to find ways to support us generously at year-end.

Last year, 33 cents of every dollar that alumni, faculty, staff, and friends gave to the Metro Fund went to provide emergency aid to students. The remaining 67 cents supported student and university programs, and helped the Foundation award nearly \$366,000 in scholarships.

Whether you give because Metro State changed your life or because you know Metro State is creating the diverse workforce our community needs, Metro State students and programs benefit from your support. We hope that you will be a *transformational force* in our community by giving to the Metropolitan State University Foundation.

Planning Your Year-End Giving

How much have I/we already given this year?

- ◆ to Metropolitan State \$ _____
- ◆ to my place of worship \$ _____
- ◆ to support organizations in my community \$ _____
- ◆ to support other causes \$ _____
- Total** \$ _____

Does this amount meet or exceed my/our intended target for charitable contributions for the year?

Have my/our circumstances changed in a way that I/we can contribute more?

Here are some tips to help you make the most of your year-end giving:

Determine your tax liability for the year.

Before the hustle and bustle of the holidays take over, pause to calculate your income and determine your tax liability for the year. Did your income increase? Did you sell any appreciated assets? Will you owe more taxes? If so, this alone may motivate you to increase your giving before December 31. Even if your tax liability is the same, you may want to move some of your giving to occur earlier than next year to create a larger charitable giving deduction for yourself this year. The *Tax Cuts and Jobs Act of 2017* significantly increased standard deduction amounts.

2018 Standard Deduction Levels		
Single	Head of Household	Married Filing Jointly
\$12,200	\$18,350	\$24,400

Given these changes, how do your eligible itemized expenses (charitable giving, mortgage interest, etc.) stack up? Did you shift from being an itemizer last year to a “borderline itemizer” this year? If your itemized expenses are close to the new standard deduction thresholds, you may find it advantageous to increase your giving before December 31 and then consider filing an itemized tax return every other year.

Whether you itemize or take the standard deduction, by the time you complete your income tax return, it will be too late to make charitable gifts for the previous year. *Do your planning while you still have the opportunity to adjust* and give a year-end gift to institutions that share your values, like Metropolitan State University Foundation.

Depending on the type of gift, the tax code limits your charitable deductions each year to a percentage of your adjusted gross income (AGI). The new tax law increased the annual deduction for cash gifts – from 50% of one’s AGI to 60% of AGI. Overall, this is a 20% increase in the amount of giving that can be considered tax-deductible in any given year. Furthermore, the five-year-carry-over benefit was retained, meaning in any year that cash gifts exceed 60% of your AGI, you can claim the overage as a tax deduction on the following year’s tax return and any continued excess can continue to be carried over and claimed for up to five years.

Review your investment portfolio.

As year-end approaches, it’s a good idea to review your portfolio. Pay special attention to stocks you have held for more than a year and identify those that have appreciated. Which ones have appreciated the most? It may be prudent for you to make your year-end gift using one or more of these stocks.

Here’s why: If you sold the stock, you would incur capital gains tax on the appreciation. However, if you give the stock to the Metropolitan State University Foundation and allow us to sell it, capital gains taxes are avoided, and you receive a charitable deduction for the full fair market value of the stock. For mutual funds, the fair market value is the price per share at market closing on the date of delivery. If you can’t use all of the charitable deduction resulting from the gift, *you can carry it forward for up to five years.*

You could take a similar approach to donate appreciated securities; the annual deduction limit for which is 30% of AGI. The fair market value for securities is the average price per share between the highest and lowest selling prices on the date of delivery. If you own securities that are worth less now than when purchased, you can sell them and contribute the cash proceeds. This way, you can take a capital loss on your return, which you can't do if you donate those securities directly to the Metropolitan State University Foundation.

Do your giving early.

This is especially true if you want to make a gift from your donor advised fund or of non-cash assets (stock, real estate, etc.). Your professional advisor or broker may be extremely busy as the year winds down. The sooner you can get your gift activity going, the more likely you are to complete it before the end of the year and maximize its impact for you and Metro State.

Talk to your advisors.

Before making any significant gift to the Metropolitan State University Foundation or any other nonprofit organization, you should have your CPA, attorney, and/or financial advisor help you understand the impact of your gift on your income tax return and estate. We at Metropolitan State University want your giving to be prudent, generous, and joyful.

We Can Help

Your tax benefits depend on what you give and when you give it. We can assist you and your financial advisors with the planning and details of making a gift to help support our mission. We appreciate your support, and we'll do all we can for you in return. Please consult your professional advisors and contact Deb Vos, Associate Vice President of University Advancement at Deb.Vos@metrostate.edu or 651-793-1802.



Jim Lukaszewski '74, graduate #81, is a President's Circle donor and has made a bequest to Metropolitan State University Foundation.

It's hard to believe that the 50th anniversary of my graduation from Metro State is just five years away—April of 2024. And if you're like me, Metro State has played a powerful role in your life. I often refer to Metro State as Minnesota's most magical university. They could hang a sign over the door that says, "Transformations happening daily." My story is probably pretty similar to yours.

I was married, 31 years old, had a family, a mortgage, and a pretty good job, but my life just wasn't coming together. All the while I was piling up credits nobody would accept.

Then, this miracle happened. Metropolitan State opened up, and I became graduate number 81. My legacy is entrusted to Metro U; your legacy belongs at Metro Y-O-U too.

Year-End Giving FAQs

Is my gift to Metropolitan State University Foundation tax deductible?

Yes. Because Metropolitan State University Foundation is the qualified tax-exempt organization under section 501(c)(3) of the Internal Revenue Code for the university, all gifts to the Foundation are tax deductible. To determine the amount you can deduct, consult your tax advisor.

Do I need a receipt to claim a tax deduction?

Under IRS rules, you cannot claim a tax deduction for a contribution of cash or other property unless you maintain a record of the contribution in the form of either a bank record (such as a canceled check) or a written communication from the nonprofit (such as a receipt or a letter) showing the name of the organization, the date of the contribution, and the amount of the contribution.

In addition, for a single gift of \$250 or more, you are required to have a receipt from the nonprofit to substantiate your claim. If you receive goods or services in exchange for a portion of your gift, the organization is required to issue a receipt specifying the amount of the contribution and the goods or services received. The Metropolitan State University Foundation will send written acknowledgment of all gifts.

Does the receipt have to be a physical note?

No. An electronic receipt is acceptable.

When will I receive my receipt from Metropolitan State University Foundation?

Receipts are generally issued within one week of when a gift is received.

Do I need to provide a receipt to the IRS?

No. Just keep your receipt in a file to support your claimed tax deduction in case you are audited. The statute of limitations for the IRS for a substantial understatement of income tax is six years, so retain the

receipt for at least that long. Depending on what type of contribution you make, you may want to keep it longer. Consult your tax advisor for details.

Can I give from my retirement account?

Yes. Donors who are age 70½ or older may directly transfer up to \$100,000 per year from an Individual Retirement Account (IRA) to any public charity, like Metropolitan State University Foundation, and avoid both income and estate tax. This IRA Charitable Rollover provision has been made permanent with the recent tax law changes and could be particularly helpful to non-itemizers. Let us know if you have an interest in making such a gift.

What is the last day I can contribute in 2019?

If you're contributing by credit card at www.metrostate.edu/give, you have until midnight, December 31. Your credit card must be charged in the same tax year that you want to claim a deduction.

If you are sending a gift by mail, the donation is effective on the date of the postmark. If the envelope is postmarked by December 31, the gift is credited to 2019 even if we physically receive it in 2020.

In the case of electronic transfers, including securities, the gift becomes effective the date the funds are reflected on our bank or brokerage account, not the date you instructed your bank or broker to make the transaction. Electronic transfers can be greatly affected by volume. As we get closer to December 31st, it may take several days to move your gift from one account to another. Make sure you have given yourself sufficient time to make a gift of securities.

Who can I contact for more information?

Please contact Deb Vos, Associate Vice President, at Deb.Vos@metrostate.edu or 651-793-1802 with any questions.

May 2020 bring you and your family health, happiness, and prosperity!