

A financial hat trick for you and your library

By Jill Owens

The end of 2013 is drawing nearer, and with it, the end of a tax-wise opportunity for a gift to a charity. How would you like to 1) fulfill distribution requirements, 2) support a charity, and 3) qualify for a tax break in one time period? There is a way to accomplish all those things this year. People aged 70 ½ and older can give up to \$100,000 a year from an IRA or qualified plan directly to a 501(c)(3) charity, such as the Columbus Library Foundation, or to 170(b)(1)(A) organizations.

According to the IRS website, starting with the year that a retiree reaches 70 ½ (or the year of retirement if that is later) she or he may be required to withdraw minimum amounts from a retirement plan. These withdraws are generally known as Required Minimum Distributions, or RMDs. There are “stiff penalties” for not taking RMDs – the amount not withdrawn is taxed at 50% and an additional form has to be filed.

It is the responsibility of each plan participant or Individual Retirement Account (IRA) owner to take the correct amount, which your financial or tax professional can help you determine.

You and your spouse may each designate the Columbus Library Foundation as a recipient of your RMDs (or more) up to \$100,000. This distribution will not count in your taxable income and so you will have 100% benefit of a charitable gift without having to itemize deductions. Under current law, this opportunity will expire December 31st of this year.

Also expiring at the end of the year is the chance to make a Qualified Charitable Distribution (QCD). The American Taxpayer Relief Act allows taxpayers to make QCDs for all of this tax year. The QCD is not compulsory like an RMD, but also helps you with your taxes and supporting a charity.

In both cases, the distribution must be made directly from the plan to the charity, without going first to the taxpayer or an intermediary, so it doesn't count as taxable income. Take advantage of these tax-saving options this year, as it is uncertain whether they will be extended to future years.

This information is very general, and is not written by a tax specialist. Please consult with your financial, legal, or tax advisor on how best to maximize this opportunity while following the specific rules that may apply to your situation.

The Columbus Library Foundation and Columbus Public Library are grateful for gifts and memorials of any size at any time during the year. The Foundation alcove on the second floor holds the memory book and memory boards. Regular readers of this column have seen the periodic printing of donations and memorials.

In addition to financial gifts, there are other means of support for those who are community-betterment inclined. Under the leadership of President Mimi Ernst, the Columbus Library Foundation is poising itself to become a fundraising entity in addition to its present stewardship role. The Columbus Library Foundation is always interested in hearing from qualified individuals who would like to serve in various roles on the Board for any upcoming vacancies. On behalf of the people served by the library, thank you to all volunteers, benefactors, and patrons for your continued support of any kind as we wrap up 2013 and look toward 2014.

Columbus Public Library has recently received donations from the Calico Quilt Club and the Columbus Woman's Club, as well as a memorial for Roberta Lackey from Donald and Judith Rollo.