

## ROTH IRA CONVERSION & CHARITABLE GIVING

Are you considering converting your traditional IRA to a Roth IRA? You may be able to lessen the tax impact through charitable giving if you itemize deductions on your tax return.

A common issue with converting a traditional IRA to a Roth IRA is how to pay for the income tax generated from the conversion. Consider giving cash, stock, mutual funds or real estate to InFaith Community Foundation and receive a charitable deduction that may be used to offset some of the taxable income generated from a Roth IRA conversion. InFaith can assist you in identifying charitable giving options that complement your financial goals, including a Roth IRA conversion.

### BENEFITS OF GIVING

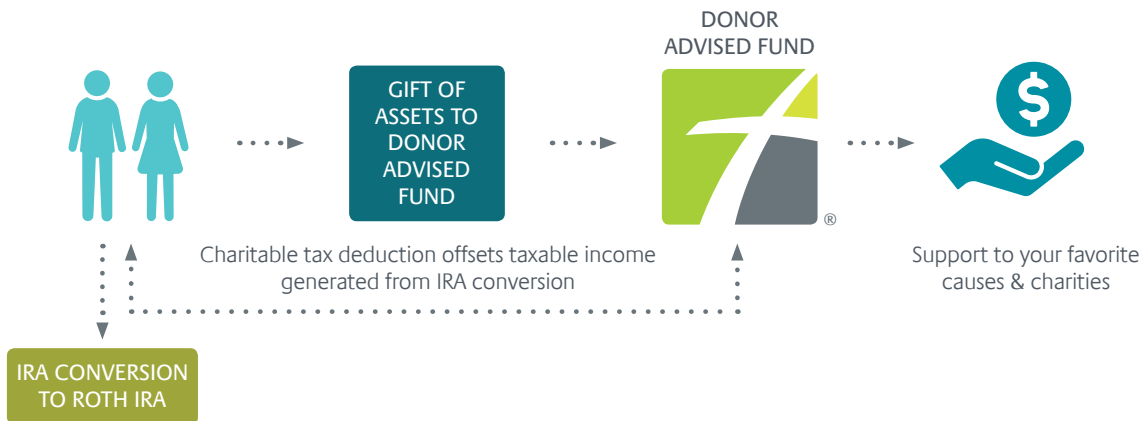
By making a charitable gift at the time of your Roth IRA conversion, you can offset tax liabilities associated with the Roth IRA conversion.

By giving to a donor advised fund at InFaith, you can:

- Have the flexibility to give to causes and charities that match your giving interests and the freedom to make changes in the future. You can provide immediate and long-term charitable support, and remain anonymous if you wish.
- Fulfill your charitable giving goals, involving family in your giving plan if you wish.
- Maximize estate planning with traditional and Roth IRAs.

*Roth IRA conversions involve important timing and tax considerations. Please consult with your tax or legal professionals prior to making a gift. Gifts to charity are irrevocable.*

### HOW IT WORKS



### FOR MORE INFORMATION

For more information, call InFaith Community Foundation at 800.365.4172 or visit [inFaithFound.org](http://inFaithFound.org).

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## DONOR STORY

### Gift of Stock

**The Donor.** A woman wanted to convert part of her traditional IRA to a Roth IRA. She also owned some highly appreciated stock in a separate portfolio she wanted to liquidate.

**Her Gift.** Through her charitable gift of stock, she received a charitable deduction equal to the fair market value of the stock that could be used to help offset some of the income realized in the Roth IRA conversion. She now makes grant recommendations from her donor advised fund to her favorite charities.

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### Gift to Create Income

**The Donor.** A man with highly-appreciated real estate was concerned about the taxes he would pay on the sale. He also wanted to convert his traditional IRA to a Roth IRA and leave it to his children upon his death.

**His Gift.** He gave the real estate to a charitable remainder unitrust at InFaith. The trust sold the real estate tax free and makes income payments to the donor for the rest of his life. The gift of real estate to the trust generated a charitable deduction he used to help offset some of the income realized by the Roth IRA conversion. Upon his death, the remainder amount from his trust will be used to create a donor advised fund that will provide grants in his name to his recommended charities.

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*Donors must itemize deductions to receive a charitable income tax deduction.*

*Charitable giving can result in significant tax, legal and financial consequences. InFaith Community Foundation does not provide accounting or tax advice. Consult with your attorney or tax professional. According to the Uniform Prudent Management of Institutional Funds Act (UPMIFA), be advised that distributions from the endowment fund may include principal as well as earnings from time to time.*

*To ensure compliance with IRS requirements, be aware that any U.S. federal tax advice that may be contained in this document is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing and recommending to another party any transaction or matter addressed herein.*



InFaith Community Foundation is a national charity with a mission to serve donors, spread joy and change lives. Through InFaith, giving is customized to each donor's charitable interests and financial circumstances. InFaith is a proven steward of these gifts, earning consistently high ratings from Charity Navigator and GuideStar for sound fiscal management, transparency and commitment to excellence. Together with donors, InFaith grants millions of dollars annually to charities serving local, national and global communities. To learn more, visit [inFaithFound.org](http://inFaithFound.org).



Spreading Joy. Changing Lives.®

### WE OFFER

- Donor advised funds, collaborative funds and organizational endowments
- Full range of giving options, from simple to complex
- Flexibility to give to any charity
- Maximum tax benefits based on when and how charitable gifts are made
- Donor-centered services including online access and family and women's giving resources
- Mission-based investment options for charitable assets