

# Making the Most of your Charitable Giving

The holiday season is often filled with feelings of warmth and generosity. With the giving spirit all around, being thoughtful about how and where you donate can maximize your impact and allow you to give with confidence.

"As one of the region's leading philanthropic experts, The Community Foundation assists donors and nonprofits every day in charitable giving and nonprofit capacity building," says Community Foundation President Erica Joseph. "While the need for financial and volunteer support is tremendous, being wise in your giving will give you peace of mind."

**This giving season keep these simple tips in mind:**

## Get to Know Local Nonprofits

Nearly every cause is represented by the robust nonprofit sector here on the Lower Eastern Shore. When you know a nonprofit well and work with them regularly, you will have greater confidence in where you are donating your money or time. Reputable nonprofits are eager to talk about their goals, services, and fundraising needs. You should feel comfortable asking questions that increase your understanding of the impact your gift will make.

## Involve the Whole Family

Creating traditions and passing on the giving spirit is a key part to creating your legacy. Involving children and grandchildren in charitable activities teaches philanthropy and family values and ensures the benefit of your charitable goals extends for generations to come.

## Verify Who You are Supporting

Always verify a nonprofit's charitable status. Donate to trusted charities and beware of scammers who may try to appear legitimate. Remember that tax-exempt and tax-deductible are not the same. You can check a nonprofit's status on your state's charity database, CharityNavigator.com, Guidestar.com or at IRS.gov/charities-and-nonprofits.

## Understand Local vs. National (or International) Organizations

If giving local is important to you, it is wise to understand if you are giving to a national organization or a local chapter. Check with the local branch of an organization about the best way to donate – you may be able to specify that your gift be used for a particular location or need.

## GIVING REMINDERS

### ALWAYS:

- Verify nonprofit status and claims
- Give to causes that inspire you
- Keep records of your donations
- Work with a professional when making larger donations
- Ask questions

### NEVER:

- Respond to pressure
- Give through unverified online links
- Spend money to give money
- Give cash or write a check to an individual



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## Giving More than Money

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Donations of time and expertise are a thoughtful way to give back. For example, volunteering, donating clothing or food, or sharing your professional expertise may be very appreciated. Check before donating items to ensure items meet any requirements and will not create a burden manage. By connecting in a personal way, you may find great joy in meeting like-minded people who are passionate about similar causes as you!

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## Set Up Recurring Donations

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Recurring donations are a great way for you to give affordably all year-round. By setting up an automated donation, your support will be on-going and you won't have to remind yourself to send a gift each time.

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## Don't Feel Pressured

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Reputable charities realize not everyone can give to every cause and understand a "no thank you." The holidays bring a higher frequency of donation requests at public locations. If an organization or individual is pressuring you beyond a simple ask, this may be a red flag. Avoid on-the-spot decisions or pressure to give to an unfamiliar organization. Responsible organizations will welcome your gift tomorrow as much as they do today.

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## Maximize Your Tax Benefits to Increase Your Giving

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There are unique tax-saving options to increase your giving. Donors can use charitable contributions to reduce tax liability and increase the gift impact by donating long-term appreciated assets (stocks) directly to a nonprofit.

Contributions from your IRA to a charity (Qualified Charitable Distribution) are an easy way to reduce your tax burden and support your favorite nonprofit. Individuals 70 ½ or older can contribute up to \$100,000 per year tax-free from their Individual Retirement Accounts (IRA's) directly to a charity (certain restrictions apply).

Endow Maryland state tax credits reward donors for gifts to qualified endowment funds at Maryland community foundations. These funds support urgent community needs and provide maximum flexibility over time. Always speak with your tax professional about the best strategy for your situation.

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## Consider a Donor Advised Fund or Estate Planning Strategy

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You can support causes you care about when and where it is convenient for you through a Donor Advised Fund. Contributions are generally tax deductible right away and you can decide when to support your favorite charities. Donor Advised Funds are a great for donors who want a hands-on approach to giving, while benefitting from the diligence and charitable guidance of a community foundation.

Leaving a bequest, giving life insurance, or using a charitable gift annuity may help you commit assets now that will carry on your legacy in the future.

Overall, your philanthropy should be something that makes you feel good and helps your community. As your local philanthropic expert, we are here to help, even if your giving isn't to us.

