

SAINT MARY'S SCHOOL

The CARES Act

Saint Mary's School is grateful for generous support from alumnae, parents, and friends. In the midst of the COVID-19 pandemic, Saint Mary's School recognizes those who love us also have important priorities for their families and loved ones, and we know that their health and financial well-being comes first. Still, in recognition of the current philanthropic environment, we would like to share helpful information regarding charitable giving that was enacted in the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was passed into law in March 2020. This important legislation contains one-year provisions that encourage charitable giving to public charities like Saint Mary's School.

Make cash gifts to Saint Mary's School to offset as much as 100% of adjusted gross income

For the 2020 tax year only, you may be able to deduct cash gifts to Saint Mary's School and other public charities to offset as much as 100% of your adjusted gross income! This 100% limit, which was most recently capped at 60%, could enable you to reduce your 2020 federal income tax to zero. Now might be the perfect time to consider making a gift in support of Saint Mary's School's Forever Campaign. Naming opportunities in Pittman Auditorium/Performing Arts Center are available and efforts are moving forward to bolster our endowment and eliminate our debt obligations. Gifts that exceed tax year 2020 adjusted gross income limits can be carried forward for up to five additional years, subject to adjusted gross income limits in subsequent years.

Contributions to donor advised funds or supporting organizations are not eligible for this deduction.

It may not be the tax-wise choice to deduct up to 100% of your income in 2020. Check with your financial or other advisors to determine whether the 100% deduction makes sense for your specific circumstances.

Non-itemizers who make cash gifts to Saint Mary's School can reduce taxable income

If you do not itemize your deductions in 2020, you can still reduce your taxable income by up to \$300 for contributions of cash to Saint Mary's School and other public charities using an "above the line" adjustment.

Required Minimum Distributions waived

Most required minimum distributions from retirement plans have been eliminated for 2020. This allows individuals who are generally subject to required minimum distributions from qualified retirement plans to keep funds in their retirement

accounts. Check with your financial advisor to see how this temporary rule will apply to you.

Use Qualified Charitable Distributions to support Saint Mary's School

If you are 70½ or older, Qualified Charitable Distributions are still a great way to support Saint Mary's School. A Qualified Charitable Distribution allows you to make a tax-free gift of up to \$100,000 to Saint Mary's School from your IRA. While the benefit of using a Qualified Charitable Distribution to satisfy your required minimum distribution has been waived for 2020, this remains a great way to make tax advantageous contributions, especially if you do not itemize your deductions.

Saint Mary's School is grateful for those who have chosen to invest in our steadfast mission of preparing girls for college and life. As we have been since 1842, Saint Mary's is here to help donors shape their charitable intentions in ways that are appropriate for their unique circumstances. Please contact Julie Ricciardi at 919.424.4114 or jricciardi@sms.edu for assistance in supporting Saint Mary's School.

IRS Circular 230 Notice: You are advised to seek your own legal and tax advice in connection with charitable gift planning matters. Saint Mary's School does not provide legal, financial or tax advice. This communication, including any attachments, is not intended or written to be used, and cannot be used, for the purpose of avoiding tax-related penalties.