



Unlocking Donor Engagement

Agenda

1. Charitable Gifting Conversations
2. Purpose of Gift
3. Methods of Gifting
4. Estate Planning & Gifting
5. Structured Gifts
6. Tax Implications
7. Organization Requirements

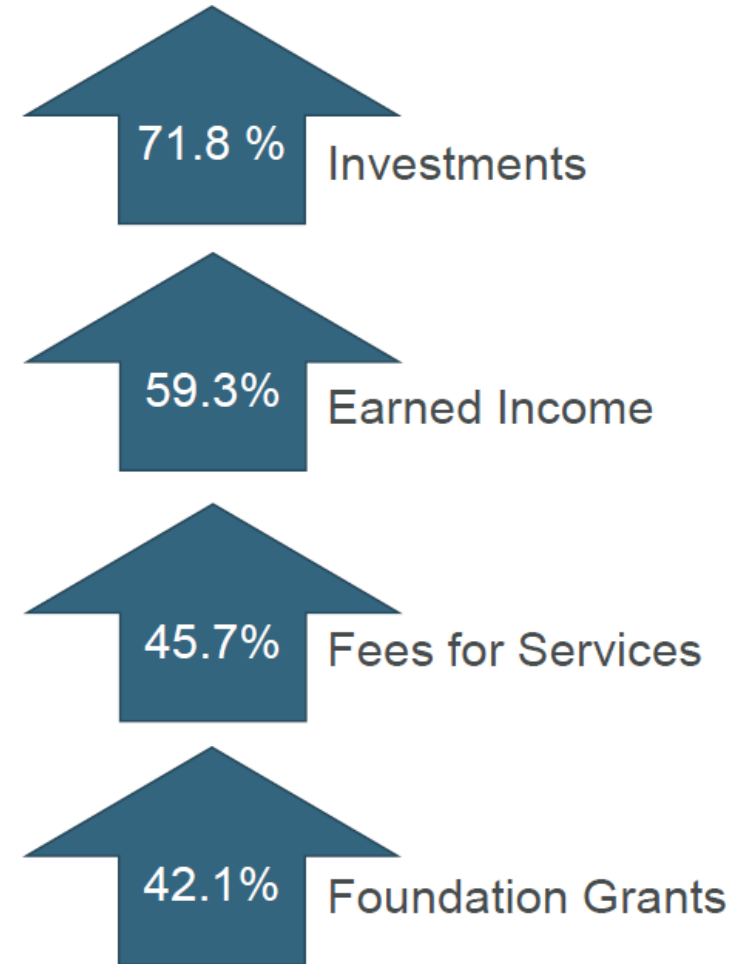
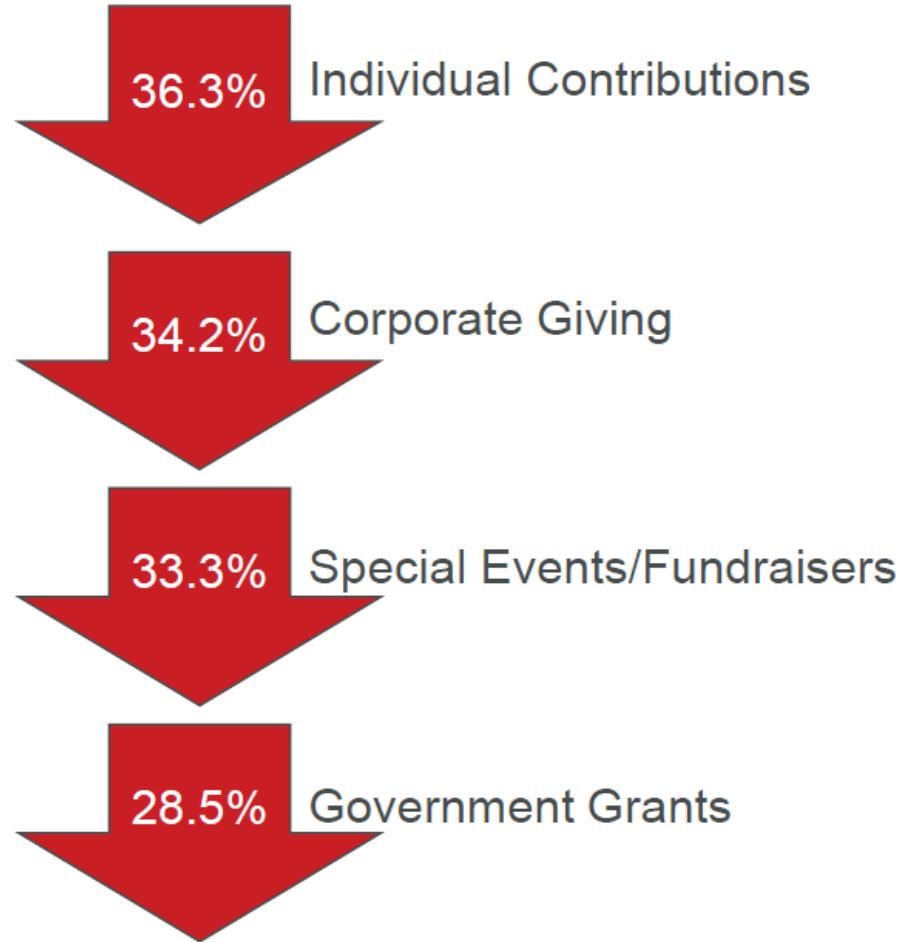


2025 State of Nonprofit Sector Report

- Survey of nonprofit clients
- National Sampling
- 93.04% of responses were from 501(c)3 organizations
- [2025 State of the Nonprofit Sector Report | Forvis Mazars](#)
- Dan Prater, Senior Manager, Consulting

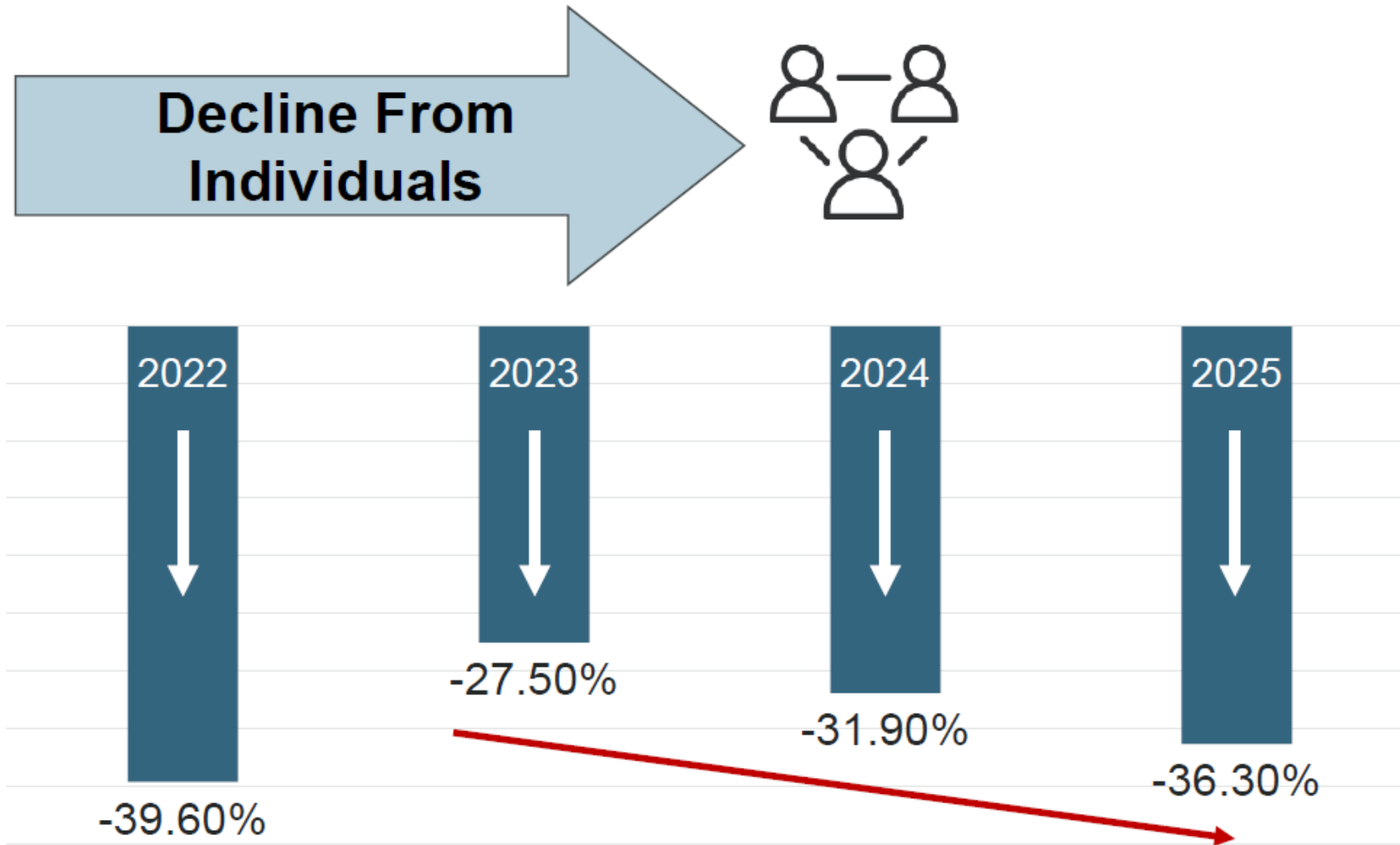


Change in Revenue Sources



Totals are rounded – may not equal 100%

Revenue Change by Focus Area



Charitable Gifting Conversations



What is the motivation?

Organizational involvement
Passion for a cause
Address an issue
Believe in management/leadership
Listen to opinions of peers
Look for performance and results

Purpose of the Gift



Unrestricted vs Restricted Gift

Endowment & Ongoing Gifts

Grow impact over time

Spend a portion annually and invest the remainder

Methods of Gifting



How to Gift



Cash

- Quick
- Easy to value
- Easy to track



How to Gift



Publicly Traded Appreciated Securities

- Identify security to gift
- Transfer in-kind to nonprofit
- Charitable contribution for fair market value
- Gift away the appreciation

How does this work?

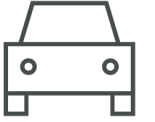


How to Gift

When NOT to Gift Publicly Traded Appreciated Securities

- Security is at a loss – Better to sell?
- Short term gain – limitation on value of the gift

How to Gift



Personal Property, Real Estate and Digital Assets

- Will it be accepted?
- Reporting requirements
 - Description and condition
 - Date acquired
 - How acquired
 - Donor's basis/cost
 - Fair market value
 - Method used to determine fair market value
- Special rules for vehicles



Noncash Charitable Contributions

Attach one or more Forms 8283 to your tax return if you claimed a total deduction of over \$500 for all contributed property.
Go to www.irs.gov/Form8283 for instructions and the latest information.

Name(s) shown on your income tax return _____ Identifying number _____

Enter the entity name and identifying number from the tax return where the noncash charitable contribution was originally reported, if different from above.

Name: _____ Identifying number: _____

Check this box if a family pass-through entity made the noncash charitable contribution. See instructions

Note: Figure the amount of your contribution deduction before completing this form. See your tax return instructions.

Section A. Donated Property of \$5,000 or Less and Publicly Traded Securities—List in this section **only** an item (or a group of similar items) for which you claimed a deduction of \$5,000 or less. Also list publicly traded securities and certain other property even if the deduction is more than \$5,000. If you need more space, attach a statement. See instructions.

1	(a) Name and address of the donee organization	(b) If donated property is a vehicle (see instructions), check the box. Also enter the vehicle identification number (unless Form 1098-C is attached).	(c) Description and condition of donated property (For a vehicle, enter the year, make, model, and mileage. For securities and other property, see instructions.)
A		<input type="checkbox"/>	
B		<input type="checkbox"/>	
C		<input type="checkbox"/>	
D		<input type="checkbox"/>	

Note: If the amount you claimed as a deduction for an item is \$500 or less, you do not have to complete columns (e), (f), and (g).

	(d) Date of the contribution	(e) Date acquired by donor (mo., yr.)	(f) How acquired by donor	(g) Donor's cost or adjusted basis	(h) Fair market value (see instructions)	(i) Method used to determine the fair market value
A						
B						
C						
D						

Section B. Donated Property Over \$5,000 (Except Publicly Traded Securities, Vehicles, Intellectual Property or Inventory Reportable in Section A)—Complete this section for one item (or a group of similar items) for which you claimed a deduction of more than \$5,000 per item or group (except contributions reportable in Section A). Provide a separate form for each item donated unless it is part of a group of similar items. A qualified appraisal is required for items reportable in Section B and in certain cases must be attached. See instructions.

Part I Information on Donated Property

2 Check the box that describes the type of property donated. See instructions for definitions.
a Art (contribution of \$20,000 or more) d Other real estate i Vehicles
b Qualified conservation contribution e Equipment j Clothing and household items
b(1) Certified historic structure f Securities k Digital assets
NPS # _____ g Collectibles l Other
c Art (contribution of less than \$20,000) h Intellectual property

3	(a) Description of donated property (if you need more space, attach a separate statement)	(b) If any tangible personal property or real property was donated, give a brief summary of the overall physical condition of the property at the time of the gift.	(c) Appraised fair market value
A			
B			
C			

	(d) Date acquired by donor (mo., yr.)	(e) How acquired by donor	(f) Donor's cost or adjusted basis	(g) For bargain sales, enter amount received	(h) Qualified conservation contribution relevant basis (see instructions)	(i) Amount claimed as a deduction (see instructions)
A						
B						
C						

Name(s) shown on your income tax return Identifying number

Part II Partial Interests and Restricted Use Property (Other Than Qualified Conservation Contributions) Complete lines 4a through 4e if you gave less than an entire interest in a property listed in Section B, Part I. Complete lines 5a through 5c if conditions were placed on a contribution listed in Section B, Part I; also attach the required statement. See instructions.

- 4a Enter the letter from Section B, Part I that identifies the property for which you gave less than an entire interest...
b Total amount claimed as a deduction for the property listed in Section B, Part I: (1) For this tax year... (2) For any prior tax years...
c Name and address of each organization to which any such contribution was made in a prior year...
d For tangible property, enter the place where the property is located or kept...
e Name of any person, other than the donee organization, having actual possession of the property...

Table with 3 columns: Question (5a, 5b, 5c), Yes, No. Contains questions about restrictions on donated property.

Part III Taxpayer (Donor) Statement List each item included in Section B, Part I above that the appraisal identifies as having a value of \$500 or less. See instructions.

I declare that the following item(s) included in Section B, Part I above has to the best of my knowledge and belief an appraised value of not more than \$500 (per item). Enter identifying letter from Section B, Part I and describe the specific item. See instructions.

Signature of taxpayer (donor) Date

Part IV Declaration of Appraiser See instructions.

I declare that I am not the donor, the donee, a party to the transaction in which the donor acquired the property, employed by, or related to any of the foregoing persons, or married to any person who is related to any of the foregoing persons. And, if regularly used by the donor, donee, or party to the transaction, I performed the majority of my appraisals during my tax year for other persons. Also, I declare that I perform appraisals on a regular basis; and that because of my qualifications as described in the appraisal, I am qualified to make appraisals of the type of property being valued.

Sign Here Appraiser signature Appraiser name Title Date Business address (including room or suite no.) Identifying number City or town, state, and ZIP code

Part V Donee Acknowledgment See instructions.

This charitable organization acknowledges that it is a qualified organization under section 170(c) and that it received the donated property as described in Section B, Part I, above on the following date Furthermore, this organization affirms that in the event it sells, exchanges, or otherwise disposes of the property described in Section B, Part I (or any portion thereof) within 3 years after the date of receipt, it will file Form 8282, Donee Information Return, with the IRS and give the donor a copy of that form. This acknowledgment does not represent agreement with the claimed fair market value. Does the organization intend to use the property for an unrelated use? Yes No

Name of charitable organization (donee) Employer identification number Address (number, street, and room or suite no.) City or town, state, and ZIP code Authorized signature Title Date



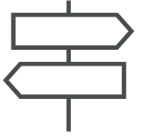
How to Gift



Qualified Charitable Distributions

- Subject to Required Minimum Distributions (RMD)?
- Gift RMD directly to charity
- No charitable deduction
- No ordinary income for RMD distribution
- Can begin using strategy at 70-1/2
- Maximum distribution 2026 - \$111,000 (Indexed for inflation)
- Individual limit, married couple up to \$222,000
- Impact on Medicare income-related monthly adjustment amount (IRMAA)

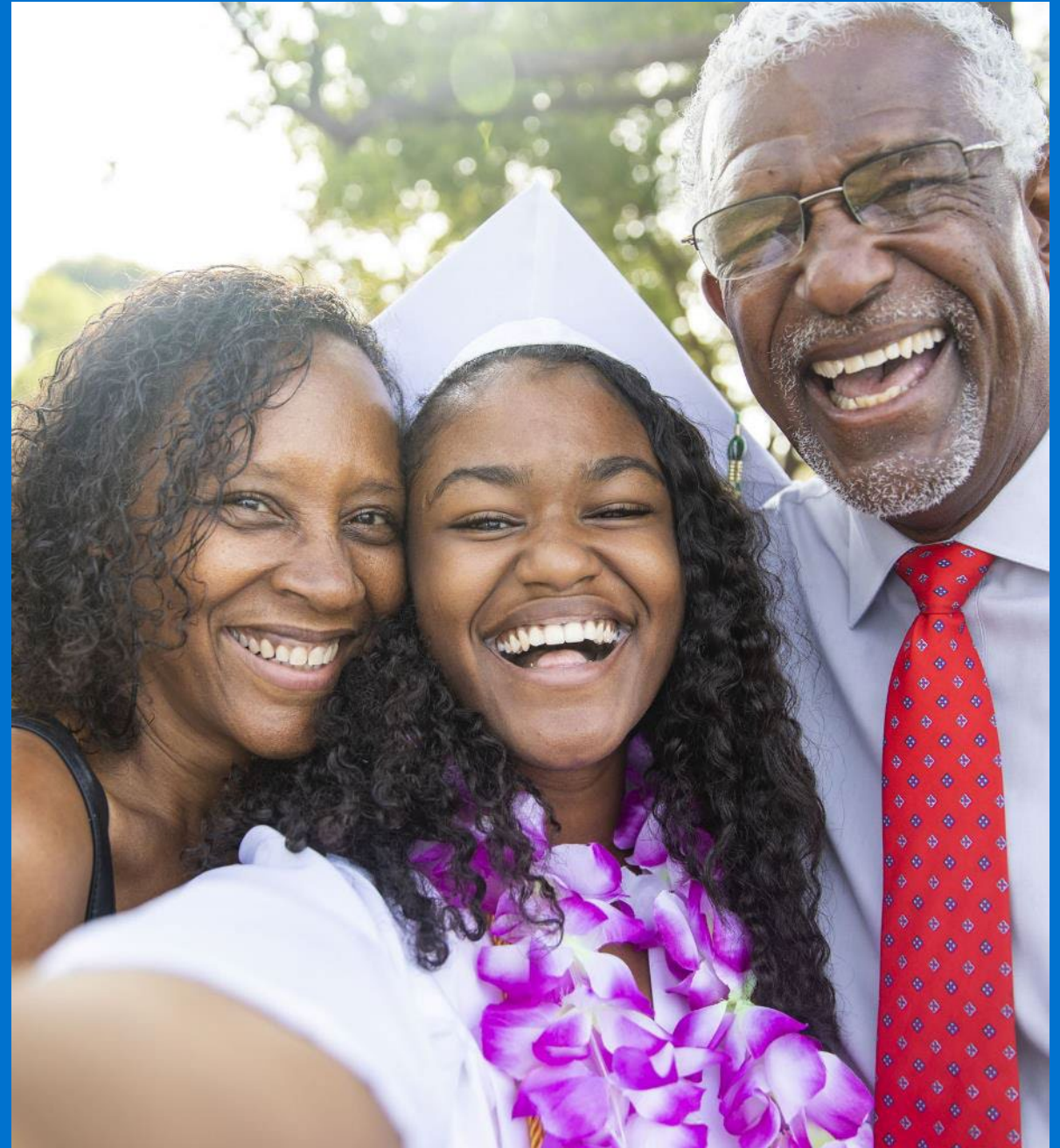
How to Gift



Other Tax Considerations

- Bunching
 - Alternate years of claiming a standard deduction and years of itemizing deductions
- Take advantage of matching gift programs
- State tax credits
 - Up to 70% of Missouri tax credit on qualifying charitable contributions
 - Make the donation
 - Complete application for the Missouri tax credit
 - Claim credit on Missouri tax return
 - Reduced Federal charitable deduction for the amount of the credit
 - Excess credit (over Missouri tax liability) carries forward to the next year

Estate Planning & Gifting



Bequests

Bequests are considered as part of the estate planning process and desired legacy implications.

Retirement Assets

- No step-up in retirement assets at death
- 10-year rule on inherited IRA assets to individuals
- Name nonprofits as beneficiary
- Can be split between multiple beneficiaries
- No income tax to receiving nonprofit
- Provides a charitable deduction on estate return
- No impact on access during lifetime

Life Insurance Policy

- Name nonprofit as beneficiary
- Can be split between multiple beneficiaries
- No income tax to receiving nonprofit
- Provides a charitable deduction on estate return
- Maintains the ability to borrow against the policy during life

Bequests

- Names dollar or percentage to a nonprofit (pecuniary)
- General Bequest
- Residuary Bequest
- Provides a charitable deduction on estate return

Structured Gifts



How to Gift

Charitable Remainder Trust (CRT)

- Irrevocable Trust
- Immediate charitable tax deductions for residual value of the remainder interest to the charity
- Annual distributions to the grantor or other beneficiaries (income beneficiaries) for life or term of years
- Nonprofit (remainder beneficiary) receives the remaining assets in the trust when the trust ends
- Grantor defers or avoids capital gains tax on the donated assets
- Distributions are taxable to the recipient under a tiered system – could be ordinary, long-term capital gain, tax-exempt income or return of principal
- Qualified appraisals could be required for unmarketable assets used to fund the trust
- Created during the grantor's life or at death
- CRTs are tax exempt

Charitable Remainder Trust

Charitable Remainder Annuity Trust (CRAT)

- Fixed dollar payout
- Determined as a percentage of the initial net fair market value of the assets used to fund the trust
- Payment never changes so principal could be invaded
- Additional contributions are not allowed

Charitable Remainder Unitrust (CRUT)

- Annual payout is variable
- Determined as a percentage of the current fair market value of the assets used to fund the trust
- Assets are revalued each year – payouts could increase or decrease
- Additional contributions are allowed

Tax Implications



Tax Implication of Gifts

Deductibility of Charitable Gifts

- Based on personal tax situation
- Itemize deductions vs standard deduction
 - Schedule A of IRS Form 1040
- Qualified charitable organization
 - <https://candid.org>
 - <https://guidestar.org/search>
 - <https://www.charitynavigator.org>
- Deductibility limitation generally 30% - 60% to of adjusted gross income
 - [Tax Exempt Organization Search | Internal Revenue Service \(irs.gov\)](#)
 - [IRS.gov/TEOS](https://www.irs.gov/TEOS)
- Excess contributions can often be carried forward for five years

Organization Requirements



Organization Requirements

Recordkeeping for Charitable Gifts

- Donor acknowledgment letters
 - Cash & Noncash contributions over \$250
 - The written acknowledgment must contain:
 - Name of the organization & statement regarding tax-exempt status
 - Date of contribution
 - Amount of cash contribution or description (but not value) of non-cash contribution
 - Statement that no goods or services were provided by the organization or description and good faith estimate of the value of goods or services provided in return for the contribution
 - IRS Publication 1771 – Charitable Contributions – Substantiation and Disclosure Requirements - [Publication 1771 \(Rev. 11-2023\)](#)

Organization Requirements

Quid Pro Quo Rules

- Written disclosure statement required for quid pro quo gifts of more than \$75
 - Inform donor that the deductible portion of the gift is limited to the excess of money (or value of property) received over the fair market value of goods or services provided by the charity, and
 - Provide donor with a good faith estimate of the fair market value of the goods or services that the donor received
 - See [Charitable contributions: Quid pro quo contributions | Internal Revenue Service](#) for exceptions
- Potential penalty for non-compliance of \$10 per contribution, up to \$5,000 maximum, per fundraising event or mailing
- Most common with special fundraising events – gala, golf tournament, dinner, 5K

Organization Requirements

- Form W-2G potentially required
 - Prize > \$600
 - Value of prize is more than 300 times wager
- Federal income tax withholding potentially required if value of prize > \$5,000
- Procedures for grossing up winnings to cover withholding

Organization Requirements

- Other potential required filings
 - Form 8283 provided by donor of certain noncash gifts over \$500
 - Appraisal required for over \$5,000
 - Form 8282 for disposal of donated property within 3 years
 - Due within 125 days of disposal
 - Form 1098-C for vehicles
 - Due within 30 days of donation
 - Form 8899 for qualified intellectual property

Donee Information Return
 (Sale, Exchange, or Other Disposition of Donated Property)

▶ Go to www.irs.gov/Form8282 for latest information.

Give a Copy to Donor

Parts To Complete

- If the organization is an **original donee**, complete *Identifying Information*, Part I (lines 1a–1d and, if applicable, lines 2a–2d), and Part III.
- If the organization is a **successor donee**, complete *Identifying Information*, Part I, Part II, and Part III.

Identifying Information

Print or Type	Name of charitable organization (donee)	Employer identification number
	Address (number, street, and room or suite no.) (or P.O. box no. if mail is not delivered to the street address)	
	City or town, state, and ZIP code	

Part I Information on ORIGINAL DONOR and SUCCESSOR DONEE Receiving the Property

1a Name of original donor of the property	1b Identifying number(s)
1c Address (number, street, and room or suite no.) (P.O. box no. if mail is not delivered to the street address)	
1d City or town, state, and ZIP code	

Note. Complete lines 2a–2d only if the organization gave this property to another charitable organization (successor donee).

2a Name of charitable organization	2b Employer identification number
2c Address (number, street, and room or suite no.) (or P.O. box no. if mail is not delivered to the street address)	
2d City or town, state, and ZIP code	

Part II Information on PREVIOUS DONEES. Complete this part only if the organization was not the first donee to receive the property. See the instructions before completing lines 3a through 4d.

3a Name of original donee	3b Employer identification number
3c Address (number, street, and room or suite no.) (or P.O. box no. if mail is not delivered to the street address)	
3d City or town, state, and ZIP code	
4a Name of preceding donee	4b Employer identification number
4c Address (number, street, and room or suite no.) (or P.O. box no. if mail is not delivered to the street address)	
4d City or town, state, and ZIP code	

Part III Information on DONATED PROPERTY

1. Description of the donated property sold, exchanged, or otherwise disposed of and how the organization used the property. (If you need more space, attach a separate statement.)	2. Did the disposition involve the organization's entire interest in the property?		3. Was the use related to the organization's exempt purpose or function?		4. Information on use of property. • If you answered "Yes" to question 3 and the property was tangible personal property, describe how the organization's use of the property furthered its exempt purpose or function. Also complete Part IV below. • If you answered "No" to question 3 and the property was tangible personal property, describe the organization's intended use (if any) at the time of the contribution. Also complete Part IV below, if the intended use at the time of the contribution was related to the organization's exempt purpose or function and it became impossible or infeasible to implement.
	Yes	No	Yes	No	
A					
B					
C					
D					

		Donated Property			
		A	B	C	D
5	Date the organization received the donated property (MM/DD/YY)	/ /	/ /	/ /	/ /
6	Date the original donee received the property (MM/DD/YY)	/ /	/ /	/ /	/ /
7	Date the property was sold, exchanged, or otherwise disposed of (MM/DD/YY)	/ /	/ /	/ /	/ /
8	Amount received upon disposition	\$	\$	\$	\$

Part IV Certification

You must sign the certification below if any property described in Part III above is tangible personal property and:

- You answered "Yes" to question 3 above, or
- You answered "No" to question 3 above and the intended use of the property became impossible or infeasible to implement.

Under penalties of perjury and the penalty under section 6720B, I certify that either: (1) the use of the property that meets the above requirements, and is described above in Part III, was substantial and related to the donee organization's exempt purpose or function; or (2) the donee organization intended to use the property for its exempt purpose or function, but the intended use has become impossible or infeasible to implement.

Signature of officer _____ Title _____ Date _____

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature of officer _____ Title _____ Date _____

Type or print name _____

Unlocking Donor Engagement

Questions?



Contact

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