

A Note from Ruby and Tom about the ASTS Foundation

14 November, 2019

We know so many ASTS members as long-time friends, and we value our ASTS highly enough to include the ASTS Foundation when we consider charitable giving. Our gifting journey started some time ago with a cash gift. But, soon, it became apparent that other ways to support the ASTS Foundation fit our financial plans better. Initially, we gave appreciated stock, an option still open to all who are fortunate enough to have significant capital gains. Then, as Tom turned the big *Seven-OH*, we sought advice from our financial pro about gifting from an IRA. By this time, federal tax regulations appeared to be changing, and we learned that the best option for us was to use direct contributions from Tom's IRA to support our church, several child-education groups, and other organizations including, of course, the ASTS Foundation.

If, like Tom, you are 70 1/2 or older, you must take money from your IRA each year—a *required minimum distribution* (RMD). That money is taxed as ordinary income. But, you may also transfer funds directly from an IRA to a qualified charity tax-free each year. The money counts as the RMD but is not included as adjusted gross income—thus, the “tax break”. The professional advice to us was sound, and allowed us to arrange our charitable giving from the IRA while we saved on taxes.

A Donor Advised Fund (DAF) is another great option for giving to the ASTS Foundation, and may be better for those members who still are working and do not need to take an IRA required minimum distribution. We did establish a DAF by using appreciated common stock, and sought a tax deduction the year that the DAF was started. We now use the DAF, where funds grow tax-free, for smaller gifts to local charities which we like to support. Larger gifts, say of \$500.00 or more, come from Tom's IRA.

Whenever we consider any investment-related financial transaction, we seek the advice of trusted professionals, and this has paid off so very well. Tom is a life-long investor, and has enjoyed the independence of creating our nest-egg. However, tax regulations have become so complex that we sit down with our CPA and our IRA advisor at least once each year. We hope that all of our ASTS friends do the same, and learn how they may best support the ASTS Foundation. We give each year knowing that our ASTS will thrive if the ASTS Foundation thrives as well.