2025 Year-End Giving Guide

Important Information for Donors and Friends of Blessed Sacrament Catholic School

As we approach the end of 2025, this year presents a unique and time-sensitive opportunity for charitable giving. Significant federal tax law changes are scheduled to take effect in 2026, making 2025 an especially important year for donors who wish to maximize the impact of their generosity — for themselves *and* for the mission of [SCHOOL].

Below is a helpful overview you may use as you plan your year-end giving. As always, we encourage you to consult your financial or tax advisor to determine the best strategy for your personal situation.

Why 2025 Matters

New federal legislation ("One Big Beautiful Bill Act") will bring several tax changes in 2026 that may limit or reduce certain charitable tax advantages. For many households — especially those who itemize deductions — making gifts *this year* may offer greater tax benefit than waiting until 2026.

Key Considerations for 2025
For Donors Who Itemize (Including High-Income Households)

1. Consider "Accelerated" or "Bunched" Giving

Donors may choose to combine several years of charitable gifts into 2025 to take advantage of the current, more favorable deduction rules.

2. No AGI "Floor" Until 2026

In 2025, your charitable gifts (up to normal IRS limits) are fully deductible.

Beginning in 2026, only the portion of your giving that exceeds 0.5% of your Adjusted Gross Income (AGI) will qualify for a deduction.

3. Higher Deduction Value in 2025

In the highest tax bracket, charitable deductions offset tax at 37% this year. In 2026, the top rate will drop to 35%, reducing the value of charitable deductions.

For Donors Who Do Not Itemize

No Special Deduction in 2025
Non-itemizers cannot claim an additional charitable deduction this year.

New 2026 Deduction Coming
Beginning in 2026, non-itemizers may claim an "above-the-line" deduction of up to:

- $1,000 for single filers
- $2,000 for married couples filing jointly
  This applies to cash gifts made directly to operating charities like [SCHOOL].

Smart Giving Options for 2025

These methods can help maximize both your impact and your tax benefit this year:

1. Donor-Advised Funds (DAFs)
DAFs are ideal for "bunching" — you can make a larger contribution in 2025, receive an immediate full deduction, and then recommend grants to charities like [SCHOOL] in future years.

2. Qualified Charitable Distributions (QCDs)
If you are 70½ or older, you can give up to $108,000 directly from your IRA to [SCHOOL].

- Counts toward your Required Minimum Distribution (RMD)
- Not included in taxable income

This remains one of the most tax-efficient ways for retirees to support our mission.

3. Gifts of Appreciated Assets
Donating long-term appreciated securities (such as stocks or mutual funds) may allow you to:

- Avoid capital gains tax

- Deduct the fair market value of the gift

This can be especially advantageous in a strong market year.

2025 Year-End Deadlines
To ensure your gift qualifies for the 2025 tax year, please follow the recommended timing below:

Gift Type	Recommended Deadline
Cash/Check (via USPS)	Postmarked by December 31
Credit Card Gifts	Submit by 11:59 p.m. on December 31
Bank Wire Transfers	Initiate by December 24–27
Publicly Traded Securities	Initiate by December 24
Mutual Fund Shares	Initiate by late November
Cryptocurrency	Documentation by December 19; assets received by December 31
Complex Assets (business interests, real estate)	Begin as early as possible

For grants from a Donor-Advised Fund, year-end recommendations should typically be submitted by mid-December.

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