

# What is the CARES Act?

The CARES Act (Coronavirus Aid, Relief, and Economic Security) recognizes the important role that charitable giving plays in supporting the needs of our communities as we battle COVID-19. It contains a number of giving incentives for donors.

**The provisions in the CARES Act are temporary (only for 2020) and fall into the following three categories for individual donors:**

- 1 Creation of a temporary universal charitable deduction for cash gifts up to \$300 for all taxpayers, including those who do not itemize.**

## HOW DOES IT WORK?

Thanks to the CARES Act, donors who do not itemize (*claim the standard deduction*) are now able to benefit from an additional tax break (up to \$300 for cash gifts) in addition to the standard deduction in 2020.



**STANDARD DEDUCTION + \$300 = \$300 TAX BREAK**

- 3 Removal of the cap on charitable contributions for cash gifts for individuals.**

In 2020, individuals can deduct cash donations up to 100% of their 2020 adjusted gross income (AGI).\*

## HOW DOES IT WORK?

If a donor has an AGI of \$100,000 and makes a cash gift of \$100,000 to Canisius College in 2020, thanks to the CARES Act, the charitable deduction is \$100,000 or 100% of the total gift amount.



\* In past years, individuals who funded their charitable donations with cash (via check, credit card, payroll deduction, wire transfer etc.) could only take a charitable deduction of up to 60 percent of their AGI, no matter how much they gave.

- 2 Required Minimum Distributions (RMD) rules suspended.**

Generally no one is required to take an RMD from his or her IRA or other retirement account for 2020, but donors may still do so to support the charity of their choice.

## HOW DOES IT WORK?

Making a charitable donation through a qualified charitable distribution (QCD), also known as an IRA Charitable Rollover, continues to be a smart and tax-efficient way to give for many donors, based on age.



## FOR MORE INFORMATION ON MAKING A GIFT TO CANISIUS COLLEGE CONTACT



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