IRA qualified charitable distributions

If you are 70½ years of age or older, you are eligible to make a qualified charitable distribution (QCD) from your IRA to support Virginia Commonwealth University. You do not need to wait until you are required minimum distribution (RMD) age to take advantage of this giving opportunity.

How it works

Donors 70½ or older are eligible to make tax-free transfers from their IRA to VCU. As the IRA owner, you can request the plan administrator make a direct distribution to a VCU-affiliated foundation.

Transfers must be made directly from your IRA to VCU. Funds that are withdrawn by you and then contributed will not qualify.

Life-income opportunity. Beginning in 2023 and subject to several limitations, IRA owners may make a one-time distribution of up to $50,000 in a single tax year to fund a charitable gift annuity or charitable trust.

Gifts must be outright. Distributions to donor-advised funds or to obtain other benefits such as event or athletics tickets will not qualify.

How you benefit

You avoid taxes. Transfers of up to $100,000 per taxpayer, indexed for inflation starting in 2024, are not included in your adjusted gross income.

You may satisfy or reduce your required minimum distribution. Required minimum distributions are determined by your date of birth. They currently begin at age 73 and increase to age 75 by 2033.

You make an immediate impact. Your gift is put to use right away to support the area you choose or to increase your income.

Next steps

Contact your plan administrator to request a direct distribution to VCU from your IRA. Provide the administrator with the legal name, tax ID and address of your preferred VCU-affiliated foundation* (see back). If a written directive is needed; contact the VCU Office of Planned Giving for sample language.

Finalize your plans to ensure that your gift will be used according to your wishes. Some account administrators do not include donor names or designation information when they send distribution checks. To ensure your gift is applied properly, please let the VCU Office of Planned Giving know that that you have requested a QCD directly from your IRA and how you would like it to be used when it arrives.

Planning tips

- Proactively reduce the balance of your IRA account by making qualified charitable distributions when you turn 70½. This will help to reduce your future required minimum distribution and related taxes.
- If you have 401(k) or 403(b) retirement accounts, consider rolling those assets into an IRA to take advantage of tax-friendly giving options.
- If you are age 59½, you can take a penalty-free taxable distribution from your retirement account and receive a charitable income tax deduction for your gift to VCU.
FAQ: IRA qualified charitable distribution

What effect did the SECURE Act and SECURE 2.0 have on IRA QCDs?
The SECURE Act made changes to the rules governing required minimum distributions, but did not change the age or qualifying criteria for IRA QCDs. The SECURE Act removed the age restriction on contributions to individual retirement accounts. If you continue to add to your IRA account after the age of 70½, that will reduce your IRA QCD eligibility.

SECURE 2.0 included a provision enabling donors to use a QCD to fund a charitable gift annuity or charitable trust subject to several limitations. Secure 2.0 also introduced an annual adjustment for inflation on the $100,000 annual limit on QCDs and the $50,000 limit on the one-time charitable gift annuity or charitable trust election.

What timing considerations are important when making an IRA QCD?
In order for a QCD to count toward your RMD in a given tax year, the QCD must be completed before you withdraw your RMD.

IRA QCDs are complete when the funds leave the custodian’s account. Funds are considered to leave the custodian’s account on the date the custodian issues a check. However, if you write your own QCD checks, funds are not considered to leave the account until the check is cashed by VCU. Ensure checks arrive by mid-December so they can be cashed before the end of the tax year.

May I make a QCD from my IRA if I have already taken my required minimum distribution?
Yes. However, if you take your RMD before you make a QCD, the QCD will not count toward your RMD.

May I contribute more than $100,000 to a qualified charity from an IRA?
Yes, but charitable contributions from an IRA more than the $100,000 (indexed for inflation starting in 2024) limit will not be treated as a QCD but instead will be eligible for a charitable income tax deduction.

I’m not 70½ yet. Are there other ways I can use my retirement accounts to make a gift now?
Yes. Once you are 59½, you can take a penalty free distribution from your IRA or other retirement account. This distribution is taxable, but you will receive charitable income tax deduction for your gift to VCU that may offset that cost.

Is my IRA QCD gift eligible for an income tax charitable deduction?
No. QCD gifts do not receive a federal income tax charitable deduction for the gift since you do not pay income tax on the distribution.

Are gifts from retirement plans other than an IRA eligible?
No. However, donors may be able to make qualified transfers from their pension or retirement plan to their IRA, and then make a charitable gift from their IRA account.

More information
Contact Ann Deppman, assistant vice president of planned giving, at (804) 828-7370 or deppmana@vcu.edu.

Affiliated foundations*

MCV Foundation (tax ID #54-6053660) for gifts that support the college, schools, departments and units on VCU’s health sciences campus: College of Health Professions, School of Dentistry, School of Medicine, School of Nursing, School of Pharmacy, Massey Cancer Center and VCU Health.

VCU Foundation (tax ID #54-0757884) for gifts that support VCU generally and most colleges, schools, departments and units on VCU’s Monroe Park Campus: VCU Athletics, College of Humanities and Sciences, Division of Student Affairs, Honors College, Institute for Contemporary Art, L. Douglas Wilder School of Government and Public Affairs, Richard T. Robertson School of Media and Culture, School of the Arts, School of Education, School of Social Work, School of World Studies, VCU Libraries and VCU Life Sciences.

VCU School of Business Foundation (tax ID #20-2661802) for gifts that support the VCU School of Business and Brandcenter.

VCU College of Engineering Foundation (tax ID #54-1808901) for gifts that support the VCU College of Engineering.

Mailing address for all foundations
Virginia Commonwealth University
Gifts and Records Management
Box 843042
Richmond, VA 23284-3042

The information provided herein is not intended as legal or tax advice. For such advice, please consult an attorney or tax adviser.