

Charitable Giving

FREQUENTLY ASKED QUESTIONS

1. How can I tell if a charity is legitimate?

The Minnesota Attorney General's office can tell you if a charity is registered and current in its reporting requirements at <https://www.ag.state.mn.us/charity/>

2. Can I give a restricted donation for a specific program?

Catholic Charities prefers unrestricted donations so we can direct your donation to the area where the funds are needed most, but you may also direct your donation to a specific program. Please make sure you note on the check or include a letter stating what program you want your donation to support.

3. Are my donations tax-deductible?

Catholic Charities of Southern Minnesota is a registered 501(c)(3) nonprofit organization, so all contributions are tax-deductible to the extent permitted by law.

4. What is Catholic Charities of Southern Minnesota's Federal Tax ID Number?

Catholic Charities' tax identification number is 41-0721636.

5. If I make a donation, how do I get my tax receipt?

All donations over \$15 will be sent a statement of Giving Letter by January 31st for all donations made the preceding year.

6. What other options exist to allow me to donate?

- Set up an automatic monthly gift ([link to our form](#))
- Send a check via regular mail
- Use your employer's matching gift program

7. What does Catholic Charities do to protect my personal information?

Upon request, we provide an alphabetized list of our donors' names (but no other information). If you wish our name excluded from that list, you can call us at 507-454-2270.

8. Are life insurance distributions tax deductible?

Life insurance distributions are not tax deductible. If you have made Catholic Charities the irrevocable owner and beneficiary of a policy during your lifetime, you may deduct gifts that offset annual premium payments.

9. What assets can I give to Catholic Charities?

- a. You can make an immediate **cash** gift by [clicking here](#).
- b. **Appreciated Securities** provide the same tax deduction as if you gave cash, but use stocks or bonds that cost you less than they are currently worth. You transfer securities to Catholic Charities of Southern Minnesota, which in turn sells them and uses the proceeds. Your tax deduction is based on market value, but you incur no capital gains liability upon the transfer.
 - i. The IRS allows you one of its most significant tax breaks for gifts of appreciated securities. You receive a gift credit and an immediate income tax deduction for the fair market value of the securities on the date of transfer, no matter what you originally paid for them.
 - ii. You pay no capital gains tax on the securities you donate.
 - iii. You can direct your gift to a specific fund or purpose.
 - iv. You have the satisfaction of making a significant gift now or funding a life-income gift that benefits Catholic Charities of Southern Minnesota later.
- c. **Life Insurance**
 - i. **New Policy** – You can fund a future gift for Catholic Charities by paying premiums from your current income.
 - ii. **Paid-up Policy** – Give Catholic Charities a policy whose coverage you no longer need.
 - iii. **Gift Replacement** – Create a life-income gift for yourself; use insurance proceeds to restore the value of your gift to benefit your heirs.
- d. **Retirement Plan** – The balance remaining in your retirement account after your death is subject to double taxation – it is taxed both as income and as an estate asset. This can result in 75% of the account value going to taxes. Planning to designate the remainder of your account to Catholic Charities ensures the balance of your retirement plan will be used to improve the most vulnerable people in the Diocese of Winona-Rochester regardless of their faith background. Recent regulations simplify the procedure to name Catholic Charities of Southern Minnesota as your beneficiary. Please contact our Executive Director, Shanna Harris at sharris@ccsomin.org for more information.

Disclaimer

The purpose of this FAQ is to provide you with information that is of a general nature only. For advice or assistance when considering a planned gift, we encourage you to consult with your attorney, tax professional, or investment professional for advice about your individual situation and the consequences of your gift.