



Tap Into the Power of Your IRA to Help Protect Clean Water

If you're age 70 ½ or older and have an Individual Retirement Account (IRA), or if you have family or close friends who meet this definition, this is powerful and important information you should know. For many of our supporters, IRA gifts allow for very generous giving that wouldn't be possible otherwise.

The financial advisor or institution that manages your IRA is familiar with this charitable giving opportunity and its potential tax benefits to you. But often, donors must ask or initiate these donations, known as Qualifying Charitable Distributions (QCDs).

It is not uncommon for IRA gifts (QCDs) to be among the largest gifts a donor may make during their lifetime. You should consult with your financial advisor, lawyer, or accountant to determine the benefits of this charitable giving opportunity and how it could empower you to become a more generous donor.

If you're already familiar with the benefits of making Qualified Charitable Distributions (QCDs) from your IRA and ready to make your donation, you can have your financial advisor or account manager arrange the gift using the information in the box at right:

Please notify us as soon as your gift has been initiated by reaching out by email at leadershipgiving@cleanwater.org or by phone at 202-378-0384, so we can confirm receipt of your donation and provide a personal thank you!

Remember, your gift must be paid directly from your IRA account to Clean Water Fund to qualify. Gifts to Clean Water Action will not qualify! Be sure to consult your tax or financial advisor for details specific to your individual situation.

For Clean Water Fund:

Address: Clean Water Fund

ATTN: IRA Gifts

PO Box 188

Mt. Clemens, MI 48046

Tax ID: 52-1043444

Why Make a Donation from an IRA?

Qualified Charitable Distributions or QCDs are gifts made by anyone age 70 ½ or older directly from an IRA account to a qualified 501(c)(3) nonprofit like Clean Water Fund. **QCDs are tax-exempt to encourage charitable giving**, unlike other IRA withdrawals that are treated as taxable income. Additionally, unlike other charitable giving, you do not need to file an itemized (long-form) tax return to claim the benefits.

- Anyone who is (or will be) **70 ½ years old** any time during this year is allowed to make QCD donations from their IRA.
- If you're **73 or older** this year, then you're also required to make federally-mandated withdrawals from your IRA, called Required Minimum Distributions (RMD). These are designed so that funds in your IRA, which are presumed to have grown in value over time and not been taxed, can now be taxed as income as they are withdrawn.

But instead of withdrawing your RMD as income, you can make a QCD by donating some or all of that amount **directly from your account to a qualified 501(c)(3) non-profit** such as Clean Water Fund. This type of gift is not subject to income tax.



► See next page for how to make your gift.

Here's What You Need to Know:

WHO? Anyone age 70 ½ or older with a traditional IRA, especially anyone turning 73 or older this year – the age at which IRA withdrawals become mandatory and taxable.

Please note that Qualified Charitable Distributions (QCDs) can only be made from traditional IRAs, not other types of accounts such as Roth or Simple IRAs.

WHEN? IRA donations can be made at any time, but to count for the current tax year, your QCD should be completed **before December 31**. But there can be advantages to making your gift earlier in the year!

If you have an RMD requirement, your IRA gift needs to be made **BEFORE** you take any RMDs, otherwise your gift may not offset tax obligations triggered by your RMD withdrawal. Additionally, the QCD must be received and deposited by the nonprofit **before December 31** for your gift to count towards the required RMD for that year.

HOW MUCH? The yearly maximum limit on QCDs adjusts annually to account for inflation. For example, in 2025, your IRA gift can be any amount up to \$108,000, or \$216,000 for couples filing jointly. The size of your charitable IRA donation is not limited to your RMD amount, if you have one.

What Are Some Common Pitfalls to Avoid?

DO NOT have your IRA gift sent payable to Clean Water Action. To qualify as a tax-exempt QCD, your gift must be made to *Clean Water Fund*.

DO NOT withdraw the funds from your IRA into your personal account(s) before sending the donation to Clean Water Fund. While your gift can still qualify as a charitable donation, your withdrawal may also be taxed as income. Only funds sent directly from your IRA to Clean Water Fund can be treated as a QCD for income tax purposes.

DO NOT move funds from your IRA to a family foundation or Donor Advised Fund (DAF) if you expect to claim this as a QCD. Gifts to a family foundation or DAF can not qualify as QCDs.

DO NOT wait until it's too late for your donation to be processed during the current year. The donation must be received and deposited by Clean Water Fund before December 31. We suggest initiating your IRA gift well before Thanksgiving to leave plenty of time — and remember to make your gift before your RMD withdrawal for the year.

How to Initiate a QCD Gift from Your IRA

Reach out to your financial advisor, IRA manager, or accountant to discuss your RMD amount (if any) and the amount you'd like to consider donating to qualified non-profits like Clean Water Fund. Your advisor can help you understand the tax benefits and assist in choosing an amount for your QCD based on your specific financial situation.

When you have determined the amount for your QCD gift, you will need to contact the financial institution that manages your IRA and give them specific instructions for the donation. You will need to provide them with:

- the non-profit's name and address,
- the tax ID number for the non-profit, and
- the amount you intend to donate.

Please notify Clean Water Fund as soon as you have initiated your gift, so that we can confirm its receipt, register it properly, and provide a personal thankyou. We would be excited to hear from you by email at leadershipgiving@cleanwater.org or over the phone at 202-378-0384.

For Clean Water Fund:

Address: Clean Water Fund
ATTN: IRA Gifts
PO Box 188
Mt. Clemens, MI 48046
Tax ID: 52-1043444

► See next page for more ways to give.

More Ways to Give from an IRA

CHARITABLE GIFT ANNUITY. Another option for giving from your IRA is to make a large one-time gift into a charitable gift annuity or charitable remainder trust. These arrangements can earn you lifetime income from your gift, on top of the tax benefits for charitable giving described earlier in this guide. In 2025, the IRS allows up to \$54,000 to be withdrawn from an IRA for a charitable gift annuity, but this maximum may change year-to-year. Please contact us at leadershipgiving@cleanwater.org or 202-378-0384 if you'd like to consider this special type of IRA gift.

BENEFICIARY DESIGNATION. You can help the people and causes you care about most by naming an organization like Clean Water Fund as a charitable beneficiary of your IRA or other retirement, investment, or savings accounts.

- When you first set up one of these accounts — or at almost any time after that — you can complete a form designating the people and/or organizations you care about most as “beneficiaries.” Your beneficiaries will receive the funds that are in your account at the time of your death, called **beneficiary designations**.
- **You can set a charitable organization as a beneficiary.** Beneficiary designations are among the simplest — and potentially most impactful — kinds of gifts you can arrange.
- When setting beneficiaries, you can specify set dollar amounts for your designations, but we recommend using percentages. This sensible “set and forget” approach allows the size of your potential gifts to grow in proportion as your savings or investments change over time.

For anyone considering a gift by beneficiary designation, we recommend including non-profits like Clean Water Fund. It can be helpful to include the organization’s tax ID when setting the designation. Clean Water Fund’s tax ID is 52-1043444.

Please let us know when you decide to make a Clean Water gift commitment of this type by reaching out at leadershipgiving@cleanwater.org so we can express our gratitude!



CLEAN WATER ACTION | CLEAN WATER FUND

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www.cleanwaterfund.org • www.cleanwater.org/IRA