



PROFESSIONAL ADVISOR NEWSLETTER

MONTHLY NEWSLETTER

OCTOBER 2026 TRENDING TOPICS

**YOUR PARTNER IN STRATEGIC PHILANTHROPY PROFESSIONAL
ADVISORY SERVICES.** Empowering Financial Growth and Community Impact



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 **GREETINGS FROM SRCCF!**

WE'RE HERE FOR YOU – OCTOBER 2026 TRENDING TOPICS

Hello from the Starved Rock County Community Foundation!

Year-end checklist: Repeat, repeat, repeat

It's October, which means year-end planning is already underway. From QCDs and bunching to appreciated assets, a new deduction for non-itemizers, and long-term charitable plans, here are five charitable giving reminders worth repeating with clients before December 31.

Gotcha! This missing sentence can cost your clients a lot of money

An appraisal? Check. A deed? Check. Form 8283? Check. A recent Tax Court case involving

a multimillion-dollar charitable deduction is a striking reminder that one seemingly small omission in a charitable acknowledgment can have very expensive consequences.

Thanks for making the SRCCF your first call when charitable giving matters cross your desk. We are here to help you serve your clients. Please reach out anytime!

Pamela Beckett, Founder
Chief Philanthropic Officer

01 YEAR-END CHECKLIST: REPEAT, REPEAT, REPEAT

It's October! You are well aware of the calendar, of course, and so are your clients. You've also likely already begun reminding clients about year-end tax deadlines and important loose ends to tie up before 2027 hits.



Remember, though, that memories are short, and just because you've already mentioned year-end deadlines doesn't mean you should stop reminding your clients. Clients appreciate knowing that you are on top of their estate planning, tax planning, and financial planning priorities.

When it comes to charitable giving reminders, the SRCCF is here to help! Reminders are especially important this year because new charitable deduction rules took effect in 2026 and markets may have created opportunities for clients to give appreciated assets—not to mention the usual changes in families, businesses, and finances that are inevitable every year.

Here is a checklist of five important items to include in your client conversations as you help clients prepare for December 31 deadlines.

CLIENT 70½ OR OLDER? ASK ABOUT QCDS. ALWAYS.

We've said it before and we'll say it again! For clients age 70½ and older, a Qualified Charitable Distribution from an IRA can be an excellent way to support favorite charities. For 2026, the QCD limit is \$111,000 per taxpayer. For clients who are also subject to required minimum distributions, a QCD can count toward the RMD while generally excluding the qualifying distributed amount from taxable income. Remember, under current law, QCDs cannot be made to donor-advised funds, although other types of funds at the SRCCF can qualify.

MUCH ADO ABOUT BUNCHING.

As you work with clients who regularly support favorite charities, it's crucial to revisit a technique

called “bunching.” The higher standard deduction means many clients will not itemize every year, and the new 0.5%-of-AGI floor on itemized charitable contribution deductions adds another consideration in 2026. A client who normally gives similar amounts each year might benefit from concentrating several years of charitable contributions into a single tax year and taking the standard deduction in intervening years. A donor-advised fund at the SRCCF can be especially useful here because the client can make the larger contribution now and recommend grants to favorite charities over time.

CASH IS NOT KING!

Before a client writes a check to their fund at the SRCCF, encourage them to stop and think and check with you first! Advisors are often looking for highly appreciated stock within clients’ portfolios. Publicly traded securities held for more than one year are often particularly attractive assets to give to charity because donating the shares directly can generally allow the client to avoid recognizing the unrealized capital gains while qualifying for a charitable deduction based on fair market value, subject to applicable limitations. The SRCCF can accept the stock and sell it so that the proceeds can be put to use in the client’s donor-advised or other type of fund.

What’s more, stock isn’t the only asset worth considering. Depending on a client’s circumstances, closely held business interests, real estate, and other appreciated property may offer charitable planning opportunities. These gifts require more advance planning than writing a check—and that’s precisely why October is a good time to start the conversation. We can help determine whether a proposed asset is appropriate to accept and work alongside you and the client’s other advisors.

NON-ITEMIZERS, RAISE YOUR HANDS!

Don’t overlook the new deduction for your clients who do not itemize their deductions. Beginning with the 2026 tax year, a client who takes the standard deduction can still deduct up to \$1,000 in qualifying cash charitable contributions, or \$2,000 for married couples filing jointly, subject to limitations (e.g., only cash gifts count, and gifts to donor-advised funds are excluded). For clients who assumed there was “no tax benefit” to their charitable gifts because they don’t itemize, this is worth mentioning!

THINK LONG-TERM.

Certainly, during the last quarter of every year your focus is likely on helping clients meet the December 31 deadline for various tax planning and charitable giving strategies. But don’t stop there! This is also a great time to do a quick check-in on your clients’ long-term charitable plans. Has the client already provided for the SRCCF in a will or trust? Have IRA beneficiary designations been reviewed recently to determine whether a charitable gift makes sense as part of the account’s ultimate disposition? Your clients are in a “get it done” mode anyway, so now is a good opportunity to make sure their charitable intentions are accurately reflected in an estate plan.

As you address year-end planning priorities with your clients, please reach out to the SRCCF. We are honored to serve as your clients' home for charitable giving—and grateful to be your first call when matters of philanthropy arise in your work. Thank you!

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GOTCHA! THIS MISSING SENTENCE CAN COST YOUR CLIENTS A LOT OF MONEY

If you advise charitable clients in your practice, you are no stranger to the IRS's requirements for substantiating charitable deductions.



In some cases, however, tax advisors and their clients are so focused on valuing the gift and filing the Form 8283 that they overlook the requirement for a “contemporaneous written acknowledgment.” And this can derail the deduction! It sure was for the taxpayers in *Wells v. Commissioner*, T.C. Memo. 2026-49, involving a claimed charitable deduction carryover stemming from a gift of Mississippi real estate to a nonprofit organization.

The property had been appraised at \$4.42 million. And there was plenty of documentation surrounding the gift. The taxpayers had an appraisal. The property was transferred by deed. The charity's president sent a letter thanking the donors and referencing the property's appraised value. The taxpayers also filed a Form 8283.

SO WHAT WENT WRONG?

The charity's acknowledgment letter did not state whether the organization had provided any goods or services in exchange for the contribution. You know the rule:

A donor claiming a deduction of \$250 or more is also required to obtain and keep a contemporaneous written acknowledgment for a charitable contribution. To be contemporaneous, the written acknowledgment must generally be obtained by the donor no later than the date the donor files the return for the year the contribution is made. The written acknowledgment must state whether the donee provides any goods or services in consideration for the contribution.

Specifically, Internal Revenue Code Section 170(f)(8)(C) requires the donor to obtain the acknowledgment by the earlier of (1) the date the donor actually files the tax return for the year of the gift or (2) the return's due date, including extensions.

In the Wells case, the contemporaneous written acknowledgment was missing a critical required statement. Although the taxpayers argued that their various documents, considered together, were enough to substantiate the contribution, the Tax Court disagreed. The statutory acknowledgment requirement had not been satisfied, and the charitable deduction carryovers were disallowed.

For advisors, Wells is a valuable reminder that the mechanics of charitable giving deserve just as much attention as the strategy. This is especially important when clients are giving real estate, closely held business interests, or other noncash assets where the deductions can be substantial and additional substantiation requirements may apply.

When you're helping a client make a significant charitable gift, don't assume that a deed, appraisal, Form 8283, or friendly thank-you letter necessarily checks every box. Make sure the client is paying close attention to the specific documentation requirements—and involve the charitable organization early enough to correct any problems before the applicable deadline.

The defect in Wells was fixable, but only if someone had caught it in time. Again, Internal Revenue Code Section 170(f)(8)(C) says that the donor must obtain a compliant acknowledgment by the earlier of (1) the date the donor actually files the tax return for the year of the gift or (2) the return's due date, including extensions.

So imagine that Wells's tax advisors had reviewed the charitable-gift file while preparing the 2016 return and noticed that the nonprofit's letter didn't say whether goods or services had been provided in exchange for the property. The solution to this particular problem may have been straightforward: contact the nonprofit and obtain a corrected or supplemental written acknowledgment containing the missing statement before filing the return.

As always, our team at the SRCCF is happy to let you know about tax rulings and updates that offer insight into charitable planning techniques. We are also happy to serve as a sounding board as you work with clients on charitable giving strategies, including gifts of complex assets into a client's donor-advised or other type of fund. We look forward to our next conversation!

STARVED ROCK COUNTRY COMMUNITY FOUNDATION

*Connecting People Who Care
With Causes That Matter*



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The team at the community foundation is honored to serve as a resource and sounding board as you build your charitable plans and pursue your philanthropic objectives for making a difference in the community. This newsletter is provided for informational purposes only. It is not intended as legal, accounting, or financial planning advice. Please consult your tax or legal advisor to learn how this information might apply to your own situation.

**THANK YOU FOR THE OPPORTUNITY
TO WORK TOGETHER!**

