Qualified Charitable Distribution (QCD) planning kit
Friends of Lake Wenatchee Y Camp (FLWYC): EIN # is 39-5070430
Last updated May 9, 2026

The Key Benefits to donating utilizing a QCD:

- Reduces **adjusted gross income (AGI)**, which can lower Medicare premiums (IRMAA), reduce taxation of Social Security, and preserve other deductions
- Counts toward the Required Minimum Distribution (**RMD)** without the distribution being taxable
- More tax-efficient than taking the RMD and then donating, especially for those who take the standard deduction

Qualified Charitable Distribution (QCD) is a great tax-efficient giving strategy.
Here are the steps for you as a donor to follow:

1. Confirm Your Eligibility

- You must be **age 70½ or older** at the time of the distribution (not just turning 70½ that year)
- Your funds must come from a **traditional IRA** (not a 401(k), 403(b), or other employer plan directly — those must be rolled to an IRA first)
- The receiving organization must be a **qualified 501(c)(3) charity** (donor-advised funds, private foundations, and supporting organizations ***do NOT qualify***)

2. You as the Donor will need to Contact your IRA Custodian

- Call or log in to the IRA custodian (e.g., Fidelity, Schwab, Vanguard)
- Request a **direct QCD transfer** — the check must be made payable to the charity, not to you
- Some custodians have a specific QCD form; others allow a letter of instruction (see template below in case you need one).
- As the donor you can also request a check made out to the charity, which they then deliver themselves — this is still a valid QCD as long as the check is payable to the charity

3. Specify the Amount — we included 2024 and 2025 for historical reference so you as a donor is aware of financial trends and policy changes (indexed for inflation).

- The 2024 annual QCD limit is **$105,000 per person** (indexed for inflation; $108,000 for 2025)

- If married, each spouse can do up to the limit from their own IRA
- **2025: $108,000** — per IRS Notice 2024-80, the annual limit on qualified charitable distributions increased $3,000 to $108,000 for 2025. Pgcalc

  One new 2025 tax reporting change worth flagging for you:
  The IRS has introduced a new requirement for reporting QCDs on Form 1099-R. Effective for distributions made on or after January 1, 2025, IRA custodians must now include Code Y in Box 7 of Form 1099-R when reporting a QCD — though as of October 16, 2025, use of Code Y for 2025 is optional. Wolters Kluwer
  In practice, many large financial institutions have signaled they will not fully implement the code until the 2026 tax year. If your 1099-R arrives showing the old "Code 7," you must still manually note "QCD" next to Line 4b of Form 1040 to exclude the amount from taxable income. Ourtaxpartner
  So your tax preparer should not assume the 1099-R will flag it automatically this year — they'll still need the charity's acknowledgment letter to document it properly.

- Reminder, your QCD can satisfy all or part of the **Required Minimum Distribution (RMD)** for the year
- **2026: $111,000** — the limit rises to $111,000 for 2026, and each spouse who is over age 70½ can make their own QCD from their own IRA. Northern Trust

4. Ensure the Funds Go Directly to the Charity

- The custodian sends the check directly to the charity, **OR** sends it to you made out to the charity
- You the donor must **never receive the funds personally** — if the check is made out to the donor, it becomes taxable income and loses QCD status (CAUTION)

5. Obtain a Written Acknowledgment from the Charity

- The charity must provide a written acknowledgment of the gift (standard for any gift over $250)
- The letter should confirm **no goods or services were received in exchange**

6. Report Correctly on the Tax Return

- The IRA custodian will issue a **Form 1099-R** showing the full distribution — it will NOT be labeled as a QCD
- Your tax preparer reports the total IRA distribution on **Line 4a of Form 1040**, then enters $0 (or the non-QCD portion) on **Line 4b** with the notation **"QCD"**
- This IRA distribution is **excluded from taxable income** (rather than taken as a deduction), which is the key tax benefit

Example letter for you as a donor to submit to your IRA Custodian on behalf of Friends of Lake Wenatchee Y Camp EIN: 39-5070430:

Custodian Letter of Instruction (you as the donor sends this to your custodian)
Fill in the bracketed fields: donor info, IRA account number, gift amount, custodian name/address, and the charity's mailing address. Note: many custodians also have their own QCD form, so check whether they require that instead of or alongside this letter.

[Date]
[Donor Full Name]
[Donor Address]
[Donor Phone / Email]

[IRA Account Number]
[IRA Custodian Name]
[Custodian Address]

Re: Qualified Charitable Distribution Request

Dear [Custodian Name] IRA Services Team,

I am requesting a Qualified Charitable Distribution (QCD) from my Traditional IRA account listed above, pursuant to IRC §408(d)(8).

Please distribute the following amount directly to the charity listed below:

Amount: $[AMOUNT]

Payable To: Friends of Lake Wenatchee Y Camp
EIN: 39-5070430
Charity Mailing Address: 595 Grant Road 3-63 East Wenatchee, WA 98802

Please mail the check directly to the charity at the address above (or to me at my address above, made payable to Friends of Lake Wenatchee Y Camp, so that I may deliver it).

I confirm that:

• I am age 70½ or older.
• This distribution is intended to qualify as a QCD under IRC §408(d)(8).
• Friends of Lake Wenatchee Y Camp is a qualified 501(c)(3) public charity.
• I will not receive any goods or services in exchange for this gift.

Please process this request at your earliest convenience and send me written confirmation of the transaction for my records.

Sincerely,

_____
Signature

[Donor Full Name]
[Date]

Example of the gift acknowledgment letter FLWYC will send back to you the donor:
Letter 2 — Gift Acknowledgment (Friends of Lake Wenatchee Y Camp sends this after they receive your QCD gift of support). FLWYC will send this to you once the check is received and deposited. Your tax preparer will need it to properly exclude the QCD from taxable income on Form 1040.

[Date]
[Donor Full Name]
[Donor Address]

Dear [Donor First Name],

Thank you for your generous Qualified Charitable Distribution (QCD) to Friends of Lake Wenatchee Y Camp. We are deeply grateful for your support of our mission.

This letter serves as your official written acknowledgment for tax purposes.

Organization: Friends of Lake Wenatchee Y Camp
EIN: 39-5070430
Gift Amount: $[AMOUNT]

Gift Date: [DATE CHECK RECEIVED]
Gift Type: Qualified Charitable Distribution (QCD)

In accordance with IRS requirements, we confirm that:
• No goods or services were provided to you in exchange for this contribution.
• This gift was received directly from your IRA custodian as a Qualified Charitable Distribution under IRC §408(d)(8).
• Friends of Lake Wenatchee Y Camp is a tax-exempt organization under IRC §501(c)(3).

Please retain this letter for your tax records and share it with your tax advisor. Because this was a QCD, the distribution is excluded from your taxable income rather than deducted — your tax preparer will need this acknowledgment to properly report it on your Form 1040.

Your gift makes a meaningful difference for the individuals who experience the joy and “Camp Magic”. We are honored by your trust and generosity.

With gratitude,

_____

[Authorized Signatory Name]
[Title]
Friends of Lake Wenatchee Y Camp
EIN: 39-5070430
595 Grant Road 3-63 East Wenatchee, WA 98802
206-612-7002 l info@friendsoflakewenatcheeycamp.org

Questions?
We recommend checking with your tax preparer for any additional tax related questions.

If you have questions regarding Friends of Lake Wenatchee Y Camp please book an appointment here with our Philanthropy Advisor & Co-Founder Bonnie Hilory.
Here contact information is Bonnie@nonprofitaccelerator.biz ; 206-612-7002 (PST).