

# CRITICAL TRANSITIONS WEALTH ADVISORS

## Making a Charitable Choice

The greatest benefit of charitable giving is the knowledge that you've helped make a difference in the lives of others. At the same time, charitable giving can also provide tax breaks, however be aware aware of the rules and keep track of what you've donated.

First, identify the charity you wish to support. With a little research, you'll soon find that there are many charitable organizations to choose from, supporting such causes as environmental protection, curing illness, or bettering the lives of children. What touches your heart the most? Next do some research. If you want to claim a tax deduction for your gift, you'll need to make sure that you're dealing with a registered charity to satisfy IRS rules. You can begin by contacting your local charity registration office (typically a division of your state attorney general's office) or your local Better Business Bureau (BBB). The BBB Wise Giving Alliance also provides independent evaluations of popular charities. These reports are available online at [www.give.org](http://www.give.org).

Rules for Giving - You're free to give as much to charity as you like. However, you'll need to follow IRS rules and keep records of your gifts to claim tax deductions. Monetary contributions are the easiest to report. Always pay via a check payable directly to the charity, not to the person soliciting the contribution or to a donation collection agency. Ask for a receipt, and save it along with your canceled check and your bank account statements.

A deduction is no longer allowed for monetary gifts unless accompanied by a bank record or a written receipt from the charity indicating the amount of the contribution, date of the donation, and name of the charity. If your contribution exceeds \$250 in value, either in cash, certain property, or out-of-pocket expenses that are attributable to volunteer work, you will also need to obtain a written description of your gift. This description must contain an acknowledgement from the charity of your contribution, a description of non-cash items donated, a statement of whether the charity provided goods or services in exchange for the donation, and - if goods or services were provided - a good-faith estimate of their value.

Charitable donations are an excellent way to reduce your taxes and make a difference in the lives of others. Remember, though, that charitable giving may be a year-round concern, not something you only think about during the holidays or at tax time.



## Surviving the Holiday Season... Debt Free

We are in full swing of the traditional giving season! There is one important item to add to your to do list: Create a holiday budget. During this time of shopping and wrapping, take control of your wallet through financial preparation. Remember, you can potentially avoid the credit card crunch and the dangerous pitfall of borrowing against your company's retirement savings plan or IRAs. Here are a few ways you might establish a holiday wish list and spending budget:

- Start by determining the total amount of money that you want to budget for gifts. Carefully evaluate how much money your budget will allow for holiday spending. Be honest and be realistic. The idea is not to spend more than you plan for during the holiday season.
- Next, make a list of people that you will be buying gifts for this year.
- Write down ideas for each person on the gift buying list. Set an amount that you will spend for each person on the list, then estimate the cost of each gift idea. Create an alternative gift idea for each person if your first idea is too expensive.
- After making the purchase, write down the exact cost of the gift, totaling your expenditures. Be sure to include the price of gift wrap and cards.
- Prioritize your holiday wish list and consider your plans in light of your budget. You may have to choose between gift-giving, entertaining, or travel. Families can decide together how much to spend for the holidays, including gifts, decorations, and food.
- Take a radical step to hide your credit cards. For example, put your credit cards in the freezer.
- Don't forget inexpensive gifts, such as themed baskets. An Italian gift basket can include a colander, spiral pasta, gourmet spaghetti sauce, a pasta spoon, and garlic bulbs.

May you make a commitment to sharing holiday presents with family and friends, attending your place of worship, and giving to your favorite charity, without worrying about credit card bills or repayment of bank of 401k loans.

## 2019 Plan Contribution Limits & Reminders

- \$6,000 for IRA accounts, \$7,000 if age 50 or over; due in April 2020
- \$13,000 for Simple IRA accounts, \$16,000 if age 50 or over; employee contributions due by 12/31/2019
- \$19,000 for 401k accounts, \$25,000 if age 50 or over; employee contributions due by 12/31/2019
- Tax Deadline for 2020 is Monday, April 15th



## Merry Christmas!

The holiday season provides us all with a much needed gift—time to spend with family and friends creating new memories to be embraced for years to come. I wish you and your loved ones health and happiness at this special time of year, and I thank you for your friendship and trust all year round.

“Christmas is forever, not for just one day. For loving, sharing, giving, are not to put away.” ~Norman Wesley Brooks

## Holiday Hours

- December 24th & 25th, Office closed for Christmas
- January 1st, Closed for New Year’s Day



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