gtcf GREATER TACOMA COMMUNITY FOUNDATION

RELEASE THE FUNDS!

September 2025

INDIVIDUAL RETIREMENT ACCOUNTS

One of the best assets for donors to support your nonprofit!

- ✔ Heirs Pay Taxes on Inherited IRAs
- ✔ Nonprofits Don't

INDIVIDUAL RETIREMENT ACCOUNTS

How easy is it for nonprofits to collect the funds?

- Who here works for a nonprofit that has been the beneficiary of an IRA?
- What was your experience accessing the funds?

The Epic Adventure of Freddie Fundraiser!

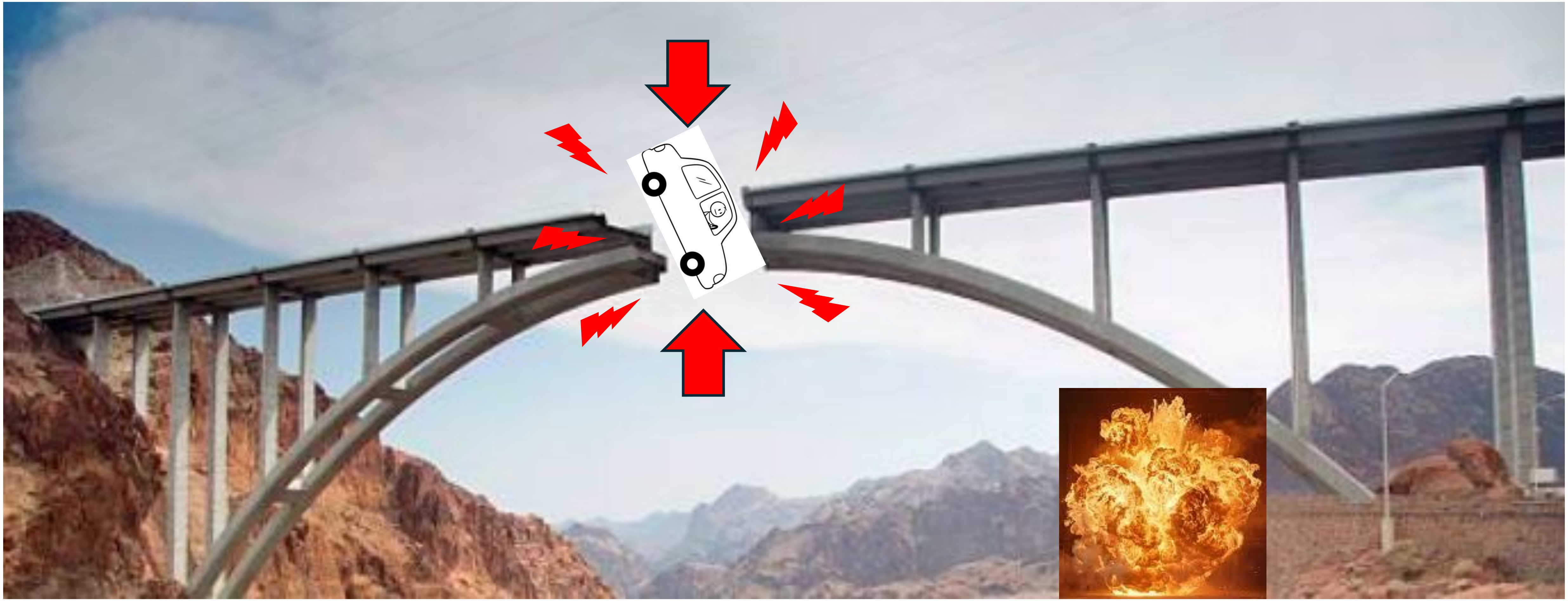
Good news, Freddie!

A donor named your nonprofit as an IRA beneficiary!

Freddie can see all the good they'll do with that gift…

But there's something Freddie DOESN'T know…

The IRA custodian has created a RIFT of RED TAPE before the nonprofit can collect the funds.



POP QUIZ: TRUE OR FALSE

Raise your hand if you think the following statement is TRUE:

IRA Custodians (Schwab, Fidelity, Vanguard, etc.) are required to contact a non-profit beneficiary when the IRA holder passes away.

> False: They IRA custodians are ***not*** required by law to contact IRA beneficiaries.

POP QUIZ: TRUE OR FALSE

Raise your hand if you think the following statement is TRUE:

The Patriot Act requires that IRA custodians have non-profit beneficiaries open an account including gathering SSNs of CEO/CFO to collect an IRA.

> False: The Patriot Act does not require this, but many IRA custodians claim that it does slowing how quickly IRA beneficiaries receive payments.

POP QUIZ

How much money do you think is currently sitting in IRAs nationally?

$47.8 trillion as of 3/30/2025

How much of that $47.8 trillion is designated for non-profits?
Nobody knows—except for IRA custodians

CHAPTER 1

IRA custodian requires driver's license & SS# of every board member for a non-profit.

This happened to include some of the most prominent and well-known people in the U.S.

CHAPTER 2

Financial firm refused to disclose the size of the fund to the non-profit (information they are entitled to).

After three years and mountains of paperwork, the non-profit received a check for ten cents.

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CHAPTER 3

Multiple charities named as partial beneficiaries of an IRA.

Financial firm arbitrarily required that all named beneficiaries send in paperwork within a 60-day window.

Since they wouldn't share the names of the other non-profits, the orgs couldn't coordinate efforts

WHY IS THIS HAPPENING?

- Originated with the Patriot Act
- Benefits financial firms to keep collecting fees
- No regulations in place

WHAT CAN BE DONE??

- When possible, encourage donors to notify you if your org is a beneficiary of their IRA.
- Encourage them to share the name of their IRA custodian
- Work through a community foundation
- Have donor name your org as a beneficiary in their will so you have access to all estate paperwork

CAN WE OFFER YOU HOPE?

Help me,
Doug & Steve.
You're my only
hope..

HERE is a reason to hope!

WHAT IS THE RIFT PROJECT? (RELEASE IRA FUNDS TIMELY)

- National effort to educate non-profits on how to fight for their funds
- Includes lists of cooperative/uncooperative IRA custodians
- Ongoing effort to encourage states to pass RIFT laws
- Iowa passed a RIFT law, followed by Indiana.
- Colorado RIFT law effort is underway

COULD WASHINGTON BE NEXT?

- Step one: Create a list of advocates
- Step two: Coordinate with local elected officials
- Step three: State concerns, educate elected officials, request state legislation

THE RIFT PROJECT
A NEW HOPE

WHERE DO WE GO FROM HERE?

- Handout: How Colorado is tackling this issue
- RIFT Project Webinar: Sept 29 at 11am; hosted by Thompson & Associates
- Use this QR code to join the effort to STOP THE RIFT!

I WANT TO STOP THE RIFT!

QUESTIONS

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