

[Craig Wruck](#) - Thu, 12/11/2025 - 09:53

Of course, your donor should consult with their own tax and financial advisors before making decisions about their retirement plan assets. However, this checklist may be a helpful guide to moving their money from a 401(k), 403(b), or other non-IRA account to prepare for future QCD contributions.

Checklist: Preparing Your Retirement Assets for Tax-Free Giving

Making a Qualified Charitable Distribution (QCD) is a wonderful way to support the causes you care about while satisfying your Required Minimum Distribution (RMD) without increasing your taxable income.

However, QCDs **must** be made from an IRA. If your retirement savings are currently in a former employer's plan – like a 401(k) or 403(b) – or other non-IRA account, you need to move those funds into an IRA first.

Because of the “first dollars out” rules, it usually takes two calendar years to complete this process. This checklist may be helpful for you and your advisors to ensure you don't accidentally trigger a tax bill.

This Year: The “Setup” Year (Current Year)

Goal: Move your money into an IRA BEFORE the year ends.

Locate Assets: Identify which non-IRA retirement accounts (401k, 403b, etc.) you wish to use for future charitable giving.

1. **Confirm Eligibility:** Verify with the custodian of your account that you can make a tax-free rollover to an IRA.
2. **Consult your Advisor regarding current RMDs:** Ask your advisor: "*Have I already satisfied any Required Minimum Distributions associated with this specific account for this current year?*" (Note: If no, you must take that taxable distribution *before* you can move the remaining money).

3. **Execute the Rollover:** Instruct your financial institution to perform a direct, tax-free rollover of some or all of your non-IRA account balance into an IRA.
4. **Deadline Check:** Ensure the funds have officially landed in the new IRA **before December 31st.**

Next Year: The “Giving” Year (Beginning January 1st next year)

Goal: Make your contributions and satisfy your RMD tax-free.

1. **Calculate New RMD:** At the start of the year, your plan custodian will calculate your new RMD based on your IRA balance as of Dec 31st of the prior year.
2. **Initiate the QCD: Crucial Step:** *Before you take any money for yourself* from that IRA, instruct the IRA custodian to send a check directly to the charity (a Qualified Charitable Distribution).
3. **Verify Tax Status:** Confirm with your advisor that the amount sent to charity will count toward satisfying your RMD for the year and that it will be excluded from your taxable income.

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