



Adoptions From The Heart®

Help with Adoption Expenses

FEDERAL ADOPTION EXPENSE TAX CREDIT:

The Adoption Credit for tax year 2011 has increased from \$13,170 to \$13,360 for adoptions occurring after January 2011. The credit remains refundable, however, it does start phasing out if your modified adjusted gross income is \$185,210 and is completely phased out at \$225,210.

This new tax law means that adoptive parents may apply up to \$13,360 of their adoption expenses *toward their taxes owed*, thereby decreasing the amount owed overall by this amount. Additionally families may be getting cash back from the IRS for their adoption expenses as the credit may now be taken as a refund. In the event that the couple owes less than the tax credit amount stated, they may receive some or all of the balance as a refund on their Federal taxes.

Visit: <http://www.irs.gov/taxtopics/tc607.html> and contact your tax preparer to find out how the Adoption Tax Credit could benefit your family.

STATE TAX CREDIT:

Several states have enacted tax credits for adoptive families. Some are restricted to those adopting from the state's public system. Contact your state adoption unit for more information.

ADOPTION SUBSIDIES:

Children with special needs may qualify for an adoption subsidy to help parents pay for ongoing treatments. Adoption subsidy agreements must be negotiated with the placing agency before the child's adoption is finalized. More information is available from the North American Council on Adoptable Children: www.nacac.org/adoptionsubsidy/adoptionsubsidy.html.

MILITARY FAMILY SUBSIDIES:

Public law 102-190 effective December 5, 1991, established a permanent adoption reimbursement program for active duty members of the military services. An active duty member of the military services who incurs expenses for the adoption of a child under age 18 may be reimbursed up to \$2,000 per child for qualifying expenses. Couples where both spouses are members of a military service may not received reimbursement under the program totaling more than \$5,000 in any calendar year.

“Active duty services members in the Armed Services and the US Coast Guard, and commissioned officers of the Public Health Service and the National Oceanic and Atmospheric Administration are eligible for reimbursement up to \$2,000 for certain qualifying expenses. The Department of defense (DoD) also has an official instruction (DoD Instruction number 1341.9) which outlines policy concerning reimbursement and guidelines concerning the granting of leave the deferments at the discretion of the commander. The Defense Finance and Accounting Service (DFAS) is the proponent for reimbursement through the use of DD Form 1675. Recent legislation has provided for 21 days of non-chargeable leave for service members who are adopting a child.” (http://www.nmfa.org/site/PageServer?pagename=reus_adoptionintro)

For additional information go to <http://www.nmfa.org>

EMPLOYEE BENEFITS:

Both the number of employers providing benefits for employees who adopt (including leave when a child arrives in the home, reimbursement of adoption expenses, and assistance with adoption information and referral services) and the dollar amount of these benefits are growing. The average expense reimbursement now approaches \$4,000, with some employers providing up to \$10,000. For help asking your employer for this benefit, see the National Adoption Center's adoption and workplace initiative: www.adopt.org/workplace. Also read Elizabeth Mair's article "How to Lobby Your Employer for Adoption Benefits" online: www.adoptivefamilies.com/clip.php.

ADOPTION GRANTS AND LOANS:

A number of organizations offer adoption grants and/or low-cost loans. Some are limited to certain types of children or adoptions, while others are available to any prospective parents who meet the organization's criteria.

A Child Waits Foundation is a not-for-profit charitable foundation that has grants and low-interest loans available to families who are adopting internationally. For more information or to apply, call (866) 999-2445 or visit www.achildwaits.org.

ARC of Hope (formerly The Cadman Foundation) helps bring together orphaned children with married Christian couples who are starting or expanding their families. The foundation provides matching grants and fundraising assistance to offset the cost of international adoptions. For more information, download a grant application from www.thearcofhope.org

Gift of Adoption Fund. Since 1996, Gift of Adoption is the largest organization devoted to helping parents by reducing the prohibitive costs of adoption. Gift of Adoption Fund gifts range from \$2,000 to \$7,500 and on average 8 are awarded each month to qualified applicants based on demonstrated financial need, situational hardship and homestudy approval. To apply for a gift, visit www.giftofadoption.org.

Global Orphan Outreach exists to make it possible for adoptive families to adopt with the aid of grants which make funds available for adoption. Global Orphan Outreach procures and submits grant applications on behalf of the prospective adoptive parents. The organization researches the grants each family qualifies for, then applies and fills out all paperwork for those grants. The process is simplified for the family so all of the applications are completed and ready for signature. All the family has to do then is mail them out in preaddressed envelopes. This service is available for any family adopting internationally or domestically. For more information visit www.globalorphanoutreach.com.

Hadassah's Hope offers financial support for families who are burdened with the cost of adopting overseas. The organization also helps by sponsoring service trips to better the living conditions of orphans who are waiting for their adoptive families. If you would like more information, visit www.hadassahshope.org or call (949) 600-5252.

Help Us Adopt.Org This is a financial assistance grant program that will provide qualified couples and individuals with grants of up to \$15,000 toward their adoption expenses. Grants will be awarded twice a year. For information visit www.helpusadopt.org.

Lifesong for Orphans helps to remove the financial barriers to adoption through matching grants and interest-free loans.

- Matching grants are an innovative tool that encourages the adopting couple's church family to financially and prayerfully support the adoption.
- Interest-free loans help overcome the initial "cash flow crunch" of adoption expenses, by utilizing the federal tax credit of up to \$11,000. The loan can be repaid in manageable monthly or annual payments.

For more information, visit www.lifesongfororphans.org.

Sea of Faces provides financial assistance grants to Christian couples adopting internationally. Grants are awarded at the end of every calendar quarter pending available funds. There is a \$10 tax-deductible donation requested to download the application. For initial qualification criteria and more information, visit www.seaoffaces.org.

Shaohannah's Hope awards financial grants to qualifying Christian families already in the process of adopting to help reduce the financial burden associated with adoption. If you would like more information on the grant application process, visit www.shaohannahshope.com.

Tinina Q. Cade Foundation (TQCF). The grant assists couples with the costs of fertility treatments and domestic adoption. For information visit www.cadefoundation.org

Tomorrow is a Gift is a private, adoption resource Web site created by Barbara Burke, an adoptive parent of 27 years to seven children. Burke has compiled an extensive list for prospective adoptive parents researching adoption grants and affording adoption. Visit the Burkes' Web site at www.adoptionfamily.org and click on the "Adoption grants" button on the homepage.

For more granting organizations, search the Web for "adoption grants", but be wary of demands for application or other fees.

Parenthood for Me provides emotional support, educational tools, and financial support to those adopting. They aim to ease some of the financial burden bestowed on people who desperately want to be parents. They offer grants for adoption as well as infertility treatments. For more information visit <http://www.parenthoodforme.org>

PNC Bank is an "adoption friendly" bank. They assist families with getting their finances organized and offer adoption loans. Contact your local PNC bank to see how they can assist you.

CREATIVE FINANCING:

Adoptive Families readers report financing adoptions through some or all of the following activities: bake sales, car washes, bowl-a-thons, grandparent or family member assistance, using their own or donated frequent flyer miles for travel, tapping into 401ks or home equity. If you come up with an unusual way of funding your family's adoption, please share it with the readers of *Adoptive Families* by writing to: letters@adoptivefamilies.com. Some other ideas to build up some savings for financing an adoption include: golf tournaments, collections at grocery stores, garage sales or online auctions/ Ebay, organize an adoption "walk-a-thon," with family and friends and collect pledges for every mile walked, or take on a part time job while waiting such as selling Avon/ Mary Kay/ Pampered Chef, etc.

AUTOMATIC SAVINGS ACCOUNTS:

Banks such as Wachovia and Bank of America offer automatic savings accounts where funds from your checking account are automatically transferred into a savings account. With Wachovia Bank's program, "Way 2 Save," anytime you use your debit/ check card or pay a bill online, \$1 will be transferred from your checking account into your "Way 2 Save," savings account. The "Way 2 Save" savings account comes with a 5% interest for the first year and a 5% bonus at the end of the first year. With this program, people have saved, on average, about \$1700 a year. Visit <https://sites.wachovia.com/savings/way2-save.html> for more information on, "Way 2 Save." Bank of America's program, "Keep the Change," builds your savings by rounding the cost of your purchases to the nearest dollar amount, then transfers the difference from your checking account to your savings account. The "Keep the Change," program also matches your savings after the first 3 months. Visit <http://www.bankofamerica.com/promos/jump/ktc/> for more information on, "Keep the Change." Both of these programs are an automatic, easy and convenient way to build a savings and put money away for an adoption.

OTHER RESOURCES:

Resources4adoption.com - an excellent online resource for adoptive families seeking comprehensive and up-to-date information on adoption grants and loans and how to qualify for them with lots of additional tips to assist families in removing the financial barriers associated with adoption.

Read "How to Make Adoption an Affordable Option", a comprehensive booklet from the National Endowment for Financial Education. It is available on the Web at www.nefe.org/adoption, or order it from the Consumer Information Center (Item #508-F): 888-878-3256. Also, consult the Burke Family's comprehensive list of adoption funding sources: www.angelfire.com/journal/adoptionhelp/adophelp.html.