



Adoptions From The Heart®

Help with Adoption Expenses

FEDERAL ADOPTION EXPENSE TAX CREDIT:

With the signing of the new health care bill on March 23, 2010, not only will the adoption tax credit be extended until December 2011, but it has also been increased from \$12,170 to \$13,170 for adoptions occurring after January 2010. And for the first time, the credit will now be refundable.

This new tax law means that adoptive parents may apply up to \$13,170 of their adoption expenses *toward their taxes owed*, thereby decreasing the amount owed overall by this amount. Additionally, for the first time, families may be getting cash back from the IRS for their adoption expenses as the credit may now be taken as a refund for the first time. 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.

In 2009, the credit starts phasing out if your modified adjusted gross income is \$182,180, and is completely phased out at \$222,180. The new law states that the income limit will be adjusted for inflation, so it is likely that this limit will increase slightly.

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 SUBSIDIES:

Active-duty personnel are reimbursed for one-time adoption costs up to \$2,000 per child, whether adopting an infant, a waiting child, or a child from abroad.

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.

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.cadmanfoundation.org.

China Care Foundation Adoption Support Program provides low interest loans and grants to qualified families who are adopting special needs Chinese Orphans. The average grant or loan awarded to a family is between \$2,000 and \$4,000. For more information and to download an application, visit <http://cc-domain/exchweb/bin/redirect.asp?URL=http://www.chinacare.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.

National Adoption Foundation has developed a grant program open to all adoptions including public or private agency adoptions, international, special needs or adoptions facilitated by an attorney. There is no income requirement. Award grants range from \$500 to \$2,500. For more information, visit www.nafadopt.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.

PNC Bank is an "adoption friendly" bank. They assist families with getting their finances organized and offer adoption loans. We are very fortunate to have Kathryn P. Sotiriadis-Mobley from PNC Bank who has agreed to act as a point person for families to contact and then she will refer them to a particular employee in the closest office of PNC in their area. She can be reached via e-mail at kathryn.sotiriadis-mobley@pnc.com

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:

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/adopthelp.html.

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