



Adoptions From The Heart®

Help with Adoption Expenses

All information provided here is intended as a basic source of information that is general in nature and may not apply to your specific situation. You should consult your own tax advisor regarding your tax needs. Adoptions From The Heart makes no warranties and is not responsible for your use of this information or for any errors or inaccuracies resulting from your use.

FEDERAL ADOPTION EXPENSE TAX CREDIT:

The Adoption Credit for tax year 2023 has been modified to \$15,950 per eligible child for adoptions occurring in 2023. Adoptive parents may apply up to \$15,950 of their adoption expenses toward their taxes owed, thereby decreasing the amount owed overall by this amount. The credit remains nonrefundable, with a maximum amount (dollar limitation) of \$15,950 per child and it does start phasing out if your modified adjusted gross income is above \$239,230 and completely phased out at \$279,230. For applicants that have different last names or filing separate tax returns, please write checks from the person who will be claiming the adoption tax credit. If both names are on the checks and they are filing jointly on income tax, there will be no problem. Visit: <http://www.irs.gov> 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. Parents can check NACAC's adoption subsidy profiles or contact NACAC at adoption.assistance@nacac.org or 800-470-6665.

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/child for qualifying expenses. Couples where both spouses are members of a military service may not receive reimbursement under the program totaling more than \$5,000 in any calendar year.

"Recent legislation has provided for 21 days of non-chargeable leave for service members who are adopting a child." For additional information go to www.militaryfamily.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 read Elizabeth Mair's article "How to Lobby Your Employer for Adoption Benefits" online: <https://www.adoptivefamilies.com/adoption-process/lobby-for-employee-adoption-benefits/>.

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.

Citizens Bank has partnered with the National Adoption Foundation to provide personal low interest loans to borrow just the amount you need from \$5,000 to \$50,000. With the ability to choose repayment terms, interest rate types and the exact loan amount needed, you'll find the loan that works for you and your new family. Get an idea of your interest rate, as well as monthly and total payments, using the calculator tool [here](#).

Prosper has an adoption loans program to help hopeful adoptive parents find the resources they need to make their adoption dreams a reality. For more information, visit [prosper.com](#).

Gift of Adoption Fund Since 1996, Gift of Adoption is the largest organization devoted to helping parents by reducing the costs of adoption. Gift of Adoption Fund average gift is \$3,500 with a maximum of \$10,000. Grants are awarded *each month* to qualified applicants based on demonstrated financial need, situational hardship and home study approval. Grants are available to domestic and international adoptions. To apply for a gift, visit <http://www.giftofadoption.org>.

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

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 want to be parents. They offer grants for adoption. Couples of singles applying cannot have children already. For more information visit <http://www.parenthoodforme.org>

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

- Matching grants, ranging from \$1,000 to \$4,000 are an innovative tool that encourages the adopting couple's church family to support the adoption financially and prayerfully.
- Interest-free loans help overcome the initial "cash flow crunch" of adoption expenses, by utilizing the federal tax credit of up to \$10,000. The loan can be repaid in manageable monthly or annual payments. For more information, visit www.lifesongfororphans.org.

Tinina Q. Cade Foundation (TQCF) provides the Family Building Grant. An annual award that provides up to \$10,000 to needy, infertile families. These grants assist with the costs associated with infertility treatment or domestic adoption. For information visit <http://www.cadefoundation.org/>

Hebrew Free Loan Association provides interest-free loans to Jewish individuals to fulfill a variety of financial needs, including adoption. Hebrew Free Loan Association has local chapters in many of the areas AFTL serves.

CREATIVE FINANCING:

Adoptive Families readers report financing adoptions through some or all 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. Some other ideas to build up some savings for financing an adoption include golf tournaments, dinner with silent auctions, create and sell a family calendar, 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. You may at first think, how much will yard sales and bake sales really add up to, but it is important to know that every event adds up to offset the cost and there have been many families who have offset the entire cost of their adoption through creative fundraisers.

AUTOMATIC SAVINGS ACCOUNTS:

Banks offer automatic savings accounts where funds from your checking account are automatically transferred into a savings account. With Wells Fargo's program, 'Way 2 Save,' anytime you use your debit 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 \$1,700 a year. Visit <http://www.wellsfargo.com/savings-cds/way2save/> for more information on, "Way 2 Save." Many banks offer deals like this. Check with your bank what type of saving accounts they offer. These programs are an automatic, easy and convenient way to build a savings and put money away for an adoption.

OTHER RESOURCES:

Adopt Without Debt: Creative Ways to Cover the Cost of Adoption by Julie Gumm, a book with over \$80,000 worth of creative fundraising ideas from more than 30 adoptive families. www.juliegumm.com/adopt-without-debt/

Adopt Together- very similar to GoFundMe which people have often used to raise funds, www.adopttogether.org is a non-profit, crowdfunding platform specifically designed to help prospective adoptive families raise money to help offset the cost of their adoption.

The Fund Your Adoption Podcast, this podcast is designed to educate and inspire families to break through the financial barriers of adoption by freely sharing resources, success stories, and useful financial information. You can find this podcast on iTunes or <http://www.fundyouradoption.tv/podcasts/>