
Flowing Funds from Individual to Individual

Tax Considerations for Individual-to-Individual Giving in the U.S.

KINSHIP EARTH

Published Q1 2026

Tax Considerations for Flow Funding: Individual-to-Individual Giving in the U.S. (2025)

Flow Funding often involves individuals giving directly to others to support grassroots leadership, community care, and ecological regeneration. If you're a **U.S. citizen giving funds to another U.S. citizen**, here's what you need to know about tax considerations—and how this form of giving can support the values of Flow Funding, even outside of formal nonprofit structures.

Annual Gift Tax Exclusion (2025)

- **Per-Person Limit:** In 2025, a U.S. citizen can gift up to \$19,000 to any number of individuals without triggering reporting requirements or tax implications.
- *Note: This annual limit is indexed for inflation and typically increases by \$1,000 every year.*
- **No Reporting by Recipient:** The recipient of a gift does not need to report it as income. Gifts are not considered taxable income by the IRS.



If You Exceed \$19,000

- **Donor Reporting Requirement:**
If more than \$19,000 is given to one person in a calendar year, the **donor** (not the recipient) must file IRS Form 709.
- **No Immediate Tax Due:**
This does not mean taxes are owed. The excess amount simply counts against the donor's lifetime gift and estate tax exemption—which is \$13.99 million in 2025.

A Direct Path to Participatory Giving

This is one of the simplest ways that wealthy individuals can give back—by flowing funds directly to trusted grassroots leaders with whom they are in relationship. When done with care, this can be a powerful form of resource redistribution.

Even without a nonprofit intermediary, the principles of Flow Funding still apply:

- **Trust-based:** You are resourcing someone because you believe in their vision and work—not because they completed an application or conformed to what you believe needs to be funded.
- **Unrestricted:** The recipient decides how best to use the funds.
- **Relational:** The giving is rooted in respect, mutuality, and listening.
- **Impactful:** Funds are moved quickly to where they're needed most.

If you already have a trusted relationship with a grassroots changemaker, Kinship Earth encourages you to consider giving directly. However, Kinship Earth cannot manage the relationship, facilitate the transfer, or be held responsible for any outcomes. This is a personal and powerful way to participate in the Flow Funding movement, grounded in autonomy and shared values.

Summary for Flow Funders & Direct Donors

Action	Tax Reporting?	Notes
Gift of \$19,000 or less (per person/year in 2025)	No	No filing needed by donor or recipient
Gift over \$19,000 (per person/year in 2025)	Yes (Form 709) by donor	Applies to donor only; no income reporting by recipient
Recipient of gift (in 2025)	No	Not considered taxable income