

A Smarter Way to Give

Donor-advised funds allow you to take a deduction immediately and decide who gets your donation later.

Many people start to think about charitable donations toward the end of the year, for both seasonal and tax-based reasons, even if they don't have a specific recipient in mind. That's especially true this year, when the COVID-19 pandemic has overturned many lives and left many people in need. Fortunately, there are many charitable organizations stepping up to help. If you've considered supporting one, through a Donor-Advised Fund, you can take your deduction now, but wait to choose the organization that will benefit from your philanthropy.

STRATEGIC GIVING THROUGH DONOR-ADVISED FUNDS

Essentially, a donor-advised fund is an

investment account you create solely for supporting charitable causes – and because the fund is self-directed, you get to dictate where, when and how much to give.

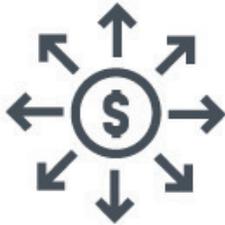


You open the fund by making an initial donation of cash, stocks, bonds or other select assets. ►

A Smarter Way to Give continued



A nonprofit sponsoring organization invests the assets and manages the fund.



You instruct the sponsoring organization to disperse funds to the charities of your choosing, at your discretion.

By funneling your charitable giving through a donor-advised fund, you and your target organization can reap important benefits:

Immediacy. Because the funds are already set aside, donor-advised funds let you donate immediately. You don't have to reconfigure your existing financial plans to give.

Choice. You can decide who will benefit from your donation at any time. One way to build a legacy of philanthropy is to set assets aside in a donor-advised fund, then give your children or other members of the family an opportunity to choose a charity.

Tax optimization. Donor-advised funds let you help yourself as you help others. Not only do the funds' investments grow tax-free, but your initial and any future contributions to the fund are deducted from that year's taxes – a useful benefit if you plan on bunching deductions as part of your tax strategy.

As COVID-19 continues to play havoc with our lives, there is no shortage of organizations that could use your help. With donor-advised funds, you can give for both the short and long term in a way that fits into your own plans.

Please reach out if you or anyone you know would benefit from discussing this topic further.