

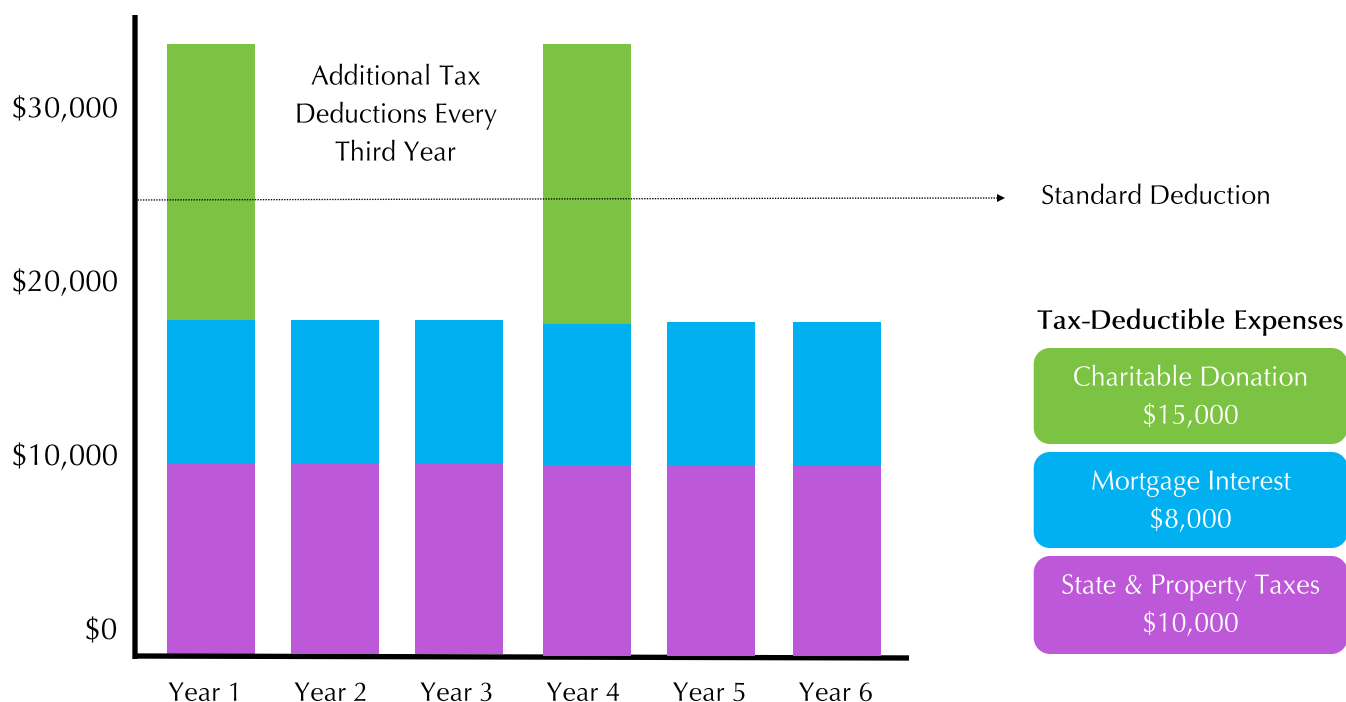
BUNCHING DONATIONS IN A DONOR-ADVISED FUND



You can use a donor-advised fund to bunch multiple years' worth of donations in a single year to receive maximum tax benefits for your charitable contributions.

Gifts to donor-advised funds are tax deductible, so you can combine two or three years (or more) of charitable contributions in one calendar year in order to exceed the standard deduction in that year. Assets in your donor-advised fund can be invested, so your charitable dollars grow tax-free. You can then use the assets in the donor-advised fund to consistently support your favorite charities, even in the years you claim the standard deduction.

The following scenario shows how a married couple, filing jointly, who typically gives \$5,000 a year to charity can benefit from bunching their charitable contributions into a \$15,000 donation every three years. In this example, the donors itemize in years one and four and claim the standard deduction in years two, three, five and six, giving them an additional tax deduction over six years.



The Community Foundation does not provide tax, legal or accounting advice. This scenario is for informational purposes only.



ARKANSAS
community foundation
Smart Giving to Improve Communities

For more information about charitable bunching and donor-advised funds, contact us at 501-372-1116 or email our staff:

Ashley Coldiron, Chief Development Officer, acoldiron@arcf.org

Jody Dilday, Development Director, jdilday@arcf.org

Lindsey Simmons, Planned Giving Director, lsimmons@arcf.org