Arkansas Community Foundation offers tax-wise ways to give. Consider these opportunities for smart charitable giving:

**Donor Advised Funds**
Establish a DAF to receive immediate tax benefits with the flexibility to support charities of choice over time. DAFs provide a simple, efficient giving solution, allowing the opportunity to take immediate action or create a long-term difference. This option can be a smart alternative to a private or family foundation.

**Charitable Bunching**
Combine multiple years of charitable contributions in one calendar year in order to exceed the standard deduction in that year and receive maximum tax benefits for those donations. Donors can use a charitable fund, such as a DAF, to bunch or “stack” donations in a single year. Gifts to charitable funds are tax-deductible and the assets can be invested, so charitable dollars grow tax-free. Donors can use those assets to provide ongoing support for their favorite nonprofits, even in the years they claim the standard deduction.

**IRA Qualified Charitable Distributions**
Utilize a retirement account to make charitable donations. A Qualified Charitable Distribution (QCD) allows traditional IRA account owners age 70 1/2+ to direct up to $100,000 each year to qualified charities without treating the distribution as taxable income. A QCD is particularly smart for those who take the standard deduction and would miss out on writing off charitable contributions. And an IRA owner of age 72+ can offset the tax consequences of their Required Minimum Distribution (RMD) by using it for a QCD.

**Highly Appreciated Assets**
Translate earnings into community impact by donating stock or another appreciated asset. Instead of selling, donors receive a tax deduction based on the stock’s full market value and avoid capital gains taxes. The gift can then be used to benefit the causes and organizations they care about most.

The fund holders pictured above partner with the Community Foundation for their charitable giving: C.J. Duvall of Little Rock, with mentee Alysha Williams; Don Munro of Hot Springs; Jane Hunt Meade of Fayetteville and Misti and Will Staley of Helena.
Charitable Giving and the CARES Act

The Coronavirus Aid, Relief and Economic Security (CARES) Act provides significant funding for businesses, hospitals and schools, along with these incentives for charitable giving:

⇒ An above-the-line deduction of up to $300—Taxpayers who do not itemize can claim the deduction for cash contributions (excluding gifts to donor advised funds and supporting organizations) made in 2020.

⇒ An increased adjusted gross income limit—Taxpayers who itemize can claim 100% of their AGI (up from the usual 60%) for cash contributions in 2020 (again excluding gifts to DAFs and SOs). For corporations, the limit on deductions for contributions, ordinarily 10 percent of AGI, is elevated to 25 percent for 2020.

Arkansas COVID-19 Relief

Arkansas Community Foundation established a statewide COVID-19 Relief Fund to direct resources to Arkansas nonprofits working to serve the state’s most vulnerable populations and those disproportionately affected by the coronavirus and its economic fallout. Contributions are pooled together to help our neighbors affected by the pandemic.

The fund provided rapid-response grants to nonprofit organizations working on the front lines, enabling them to maintain operations and support the increased demand for services. Moving forward, the fund will address the ongoing needs of Arkansans affected by the pandemic and help nonprofits adapt their service delivery to meet the emerging needs of their clientele.

The Community Foundation encourages people to support organizations in their own communities by sustaining local nonprofits, protecting vulnerable populations and funding medical needs. Our Arkansas Nonprofit Directory is a great tool to learn detailed information about organizations in specific geographic regions.

See [www.arcf.org/covid19](http://www.arcf.org/covid19) for more info.

Contact us to support your smart charitable planning:

Ashley Coldiron, Chief Development Officer, acoldiron@arcf.org
Jody Dilday, Development Director, jdilday@arcf.org