

TIFIN Give

4 Tax Advantages of Giving Through Donor Advised Funds

Several charitable giving avenues provide tax benefits, but few offer the range of advantages you can find with donor advised funds (DAFs).



1. Give Now, Grant Later

Get income tax deductions in the year you contribute to your DAF, regardless of whether you grant the assets to recipient charities that year. This gives you the flexibility to accrue larger gifts and/or take more time to find the right charity if you have not yet selected one.



2. Give Money or Non-cash

Donating non-cash assets to a DAF can eliminate the potential capital gains that could result from liquidating and donating proceeds, maximizing the impact of your gift. In addition, you can deduct the fair market value of your donation.



3. Give More to Offset Windfalls

Windfalls can bring a heavy tax burden. By “bunching,” or making a larger than usual donation to your DAF in a single year, you can reduce your tax liability in that year while breaking up and spreading out your gifts over multiple years between multiple charities, if you so desire.

BONUS: Bunching can help you contribute to small local charities that may be unprepared for larger donations while also protecting you from any unwanted notoriety that can accompany large gifts.



4. Give and Grow Your Money – Tax-free

Whether you leave your DAF to beneficiaries or use it yourself, the tax benefits of a DAF make it a great option for multiple reasons:

- Investments in a DAF can grow completely tax-free.
- DAFs are not subject to estate tax.
- DAF contributions can reduce your alternative minimum tax liability.

Non-Cash assets you can give to your DAF:

Publicly traded securities

Restricted stock*

Real estate

Privately held business interests

Private equity fund interests

Cryptocurrency

Fine art and collectibles

IPO stock

Equity compensation awards

*Must be sold in accordance with Rule 144 resale restrictions.

**Ready to start giving with your own donor advised fund?
Contact us today to get started!**

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