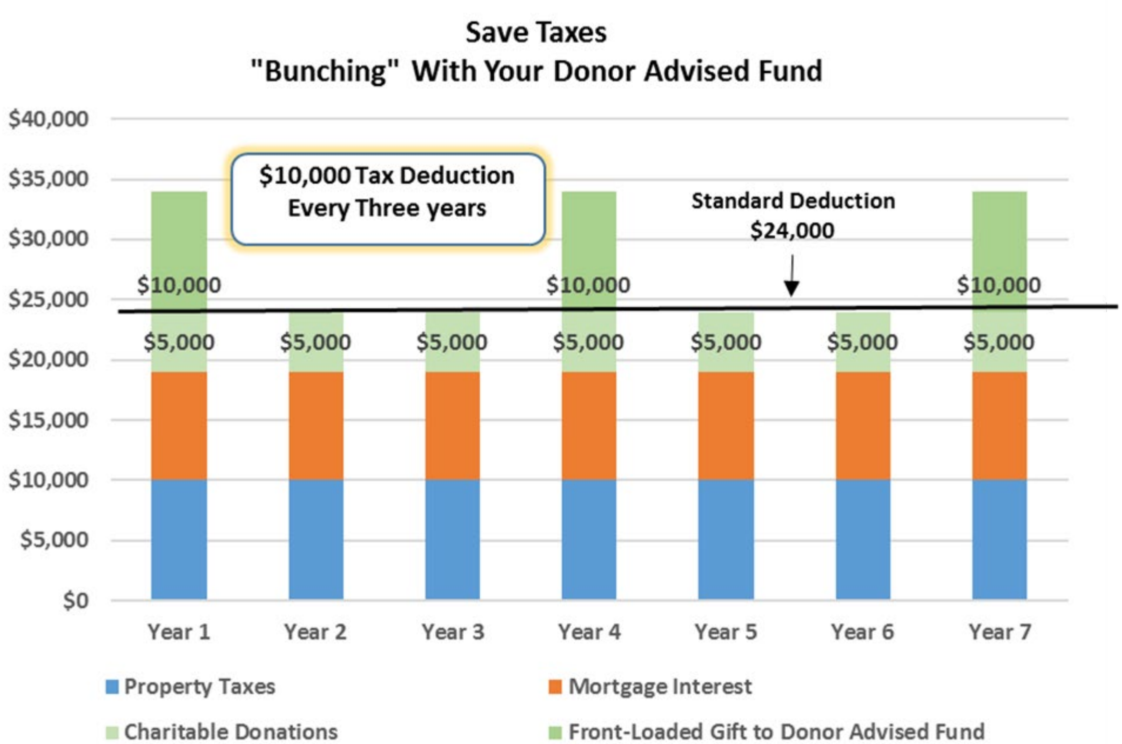
COMMUNITY FOUNDATION
SERVING THE PEOPLE OF VOLUSIA & FLAGLER

Manage the Standard Deduction Limits
Bunching Donations in Your Donor-Advised Fund

Many donors are contemplating how to take advantage of tax deductions associated with charitable giving as a result of the nearly doubling of the IRS standard deduction for deductible expenses by The Tax Cuts and Jobs Act signed into law in 2017.

Contributions to your community foundation donor advised fund are tax deductible. One of the primary benefits of a donor advised fund is the separation in timing of the tax deductible contribution to your fund and the timing of your grants to charities of your choice. With the tax strategy known as "front-loading" or "bunching", you can periodically combine multiple years' worth of charitable donations into a single year to regularly receive maximum tax benefits for your charitable donations. You can then use the assets in your donor advised fund to consistently support your favorite charity(s) each year.

The following scenario demonstrates how a married couple, filing jointly, who typically gives $5,000 each year to charity, can benefit from bunching their charitable contributions into a $15,000 contribution to their donor advised fund every three years. In this example, the donors itemize in years one, four and seven and take the standard deduction in other years, thus giving them an additional $30,000 in deductions over the seven-year period.



We do not provide tax, legal or accounting advice. This is for informational purposes only. We encourage you to seek the advice of your professional advisors.