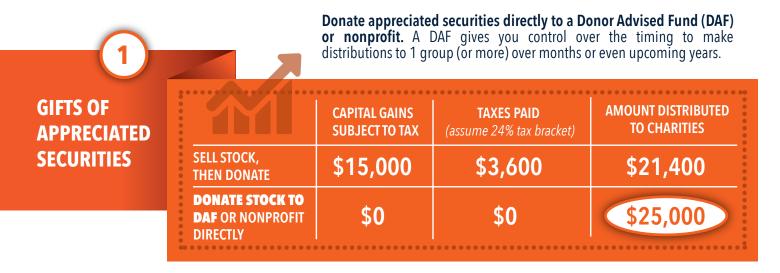
Strategic FUNDING by Strategic DONORS



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X LAW

These strategies are not mutually exclusive. A donor can use several of them together to increase the impact of their charitable giving.



EXAMPLE An individual or couple has appreciated securities that they have owned for at least a year. The securities were purchased for \$10,000 and are now valued at \$25,000 - a \$15,000 gain. The donor(s) have 2 options: 1. Sell the securities, pay \$3,600 in capital gains taxes and then donate the remaining \$21,400; OR 2. donate the entire \$25,000 to a DAF or nonprofit to receive a tax deduction equivalent to the full market value of \$25,000.

Fund a Donor Advised Fund (DAF) with several years' worth of giving. The donor gets the tax deduction in the year of the gift, but funds can be distributed over time.

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		2018	2019	2020	TO MAX
	NO CHANGE IN STRATEGY - DONORS TAKE THE STANDARD DEDUCTION EACH YEAR	\$24,000	\$24,000	\$24,000	CHAN(THE TA)
	"BUNCHING" 3 YEARS OF DONATIONS WITH A DONOR ADVISED FUND (DAF)	\$40,000	\$24,000	\$24,000	

EXAMPLE A couple has property taxes of \$10,000 and gives \$10,000 annually to charity for a total annual deduction of \$20,000. Under 2018 law, they would take a standard deduction of \$24,000, since it is greater than the \$20,000. However, if they funded a Donor Advised Fund (DAF) in 2018 with \$30,000 (3 years' worth of charitable deductions) their 2018 itemized deduction would be \$40,000. The standard deduction of \$24,000 would be taken in all other years, when their deductions totaled only \$10,000.

ADDITIONAL STRATEGIES



EXAMPLE Make donations through your employer to your DAF at CTCF, **your employer matches that amount** and then YOU recommend distributions (in the timing you choose) to nonprofits.

If you are **70.5 years old**, have an Individual Retirement Account (IRA) and are charitably - minded, make a Qualified Charitable Distribution (QCD).

GIVE DIRECTLY FROM YOUR IRA

Qualified Charitable Distributions (QCDs) up to \$100,000 are excluded

from taxable income but do count towards a Required Minimum Distribution (RMD). However, QCDs are not allowed as charitable itemized deductions.

ESTATE PLANNING TOOLS FOR GIFTS TO A FUND AT CTCF OR A NON-PROFIT ORGANIZATION

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up to

\$100,000

- Designate a Fund at CTCF as a full or partial beneficiary of your qualified retirement plan. You can create a new Fund or designate an existing one as the beneficiary.
- Include a Fund at CTCF or a nonprofit in your will as a bequest.
- Establish an endowment Fund at CTCF to benefit a particular organization. The gift can be invested, and over time, earnings may be used to make grants addressing community needs. Your gift-and all future earnings from your gift-is a permanent source of community capital, helping to do good work for years to come.

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