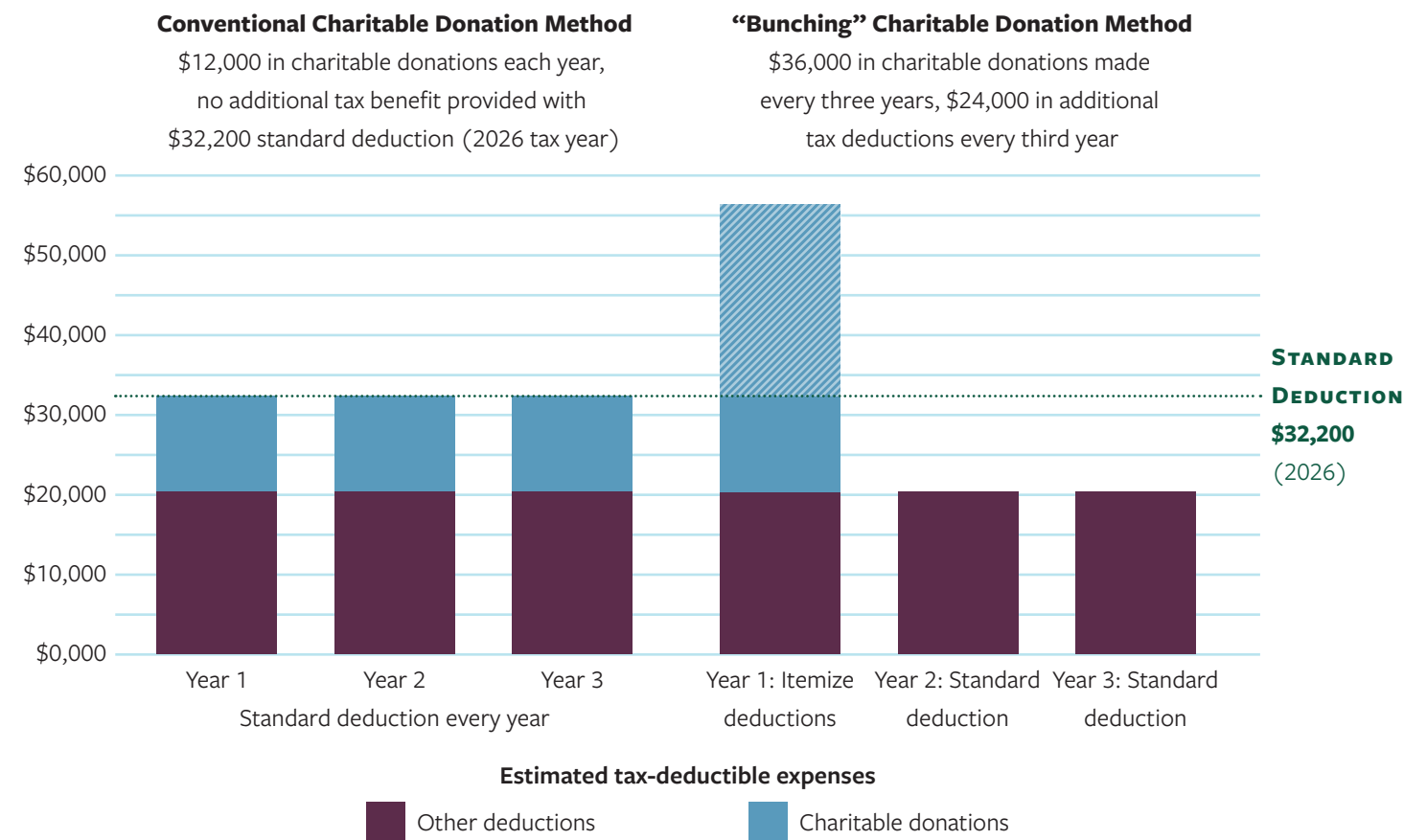




“Bunching” with a Donor-Advised Fund

The tactic of “bunching” charitable gifts into a donor-advised fund allows a donor to maximize tax benefits under tax law. Because every donation to a donor-advised fund is tax-deductible, this strategy allows individuals to exceed the recently increased standard deduction in the year a donation is made into a donor-advised fund.

In these simplified examples, a married couple filing jointly, who typically make \$12,000 a year in charitable gifts, benefit from bunching a single \$36,000 donation into a donor-advised fund every three years. This means the couple can **itemize in years one and four and take the standard deduction in the years between** while still meeting their philanthropic goals. Each year, they can request grants be made from their donor-advised fund to preferred nonprofit organizations as they typically would.



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