

Bunching Donations Using a CFA Donor-Advised Fund

“Bunching” charitable gifts into a donor-advised fund allows maximum tax benefits under the new tax laws. This strategy allows individuals to exceed the new, higher standard deduction in the year a gift is made into a donor-advised fund, as every gift to a donor-advised fund is tax deductible the moment it is made. The fund can then be used to make charitable gifts for the next few years.

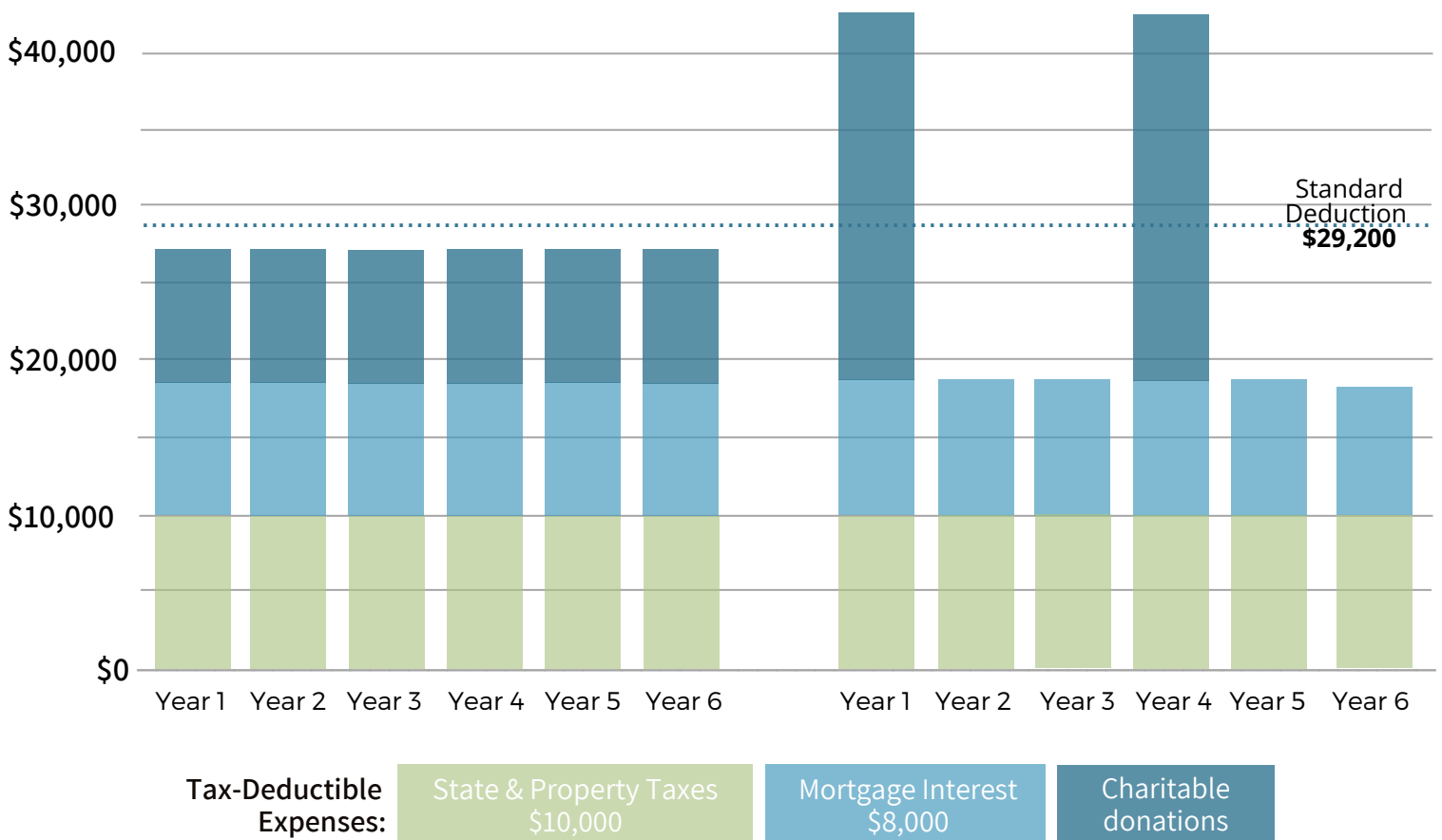
In the included example, a married couple filing jointly, who typically make \$8,000 a year in charitable gifts, benefit from bunching a \$24,000 donation into a donor-advised fund every three years. This means the couple can itemize in years one and four and take the standard deduction in the years between while still meeting their charitable goals.

Conventional Charitable Donation Method

\$8,000 in charitable donations each year, no additional tax benefit provided with \$29,200 standard deduction

“Bunching” Charitable Donation Method

\$24,000 in charitable donations made every three years, **\$12,800** in additional tax deductions every third years



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