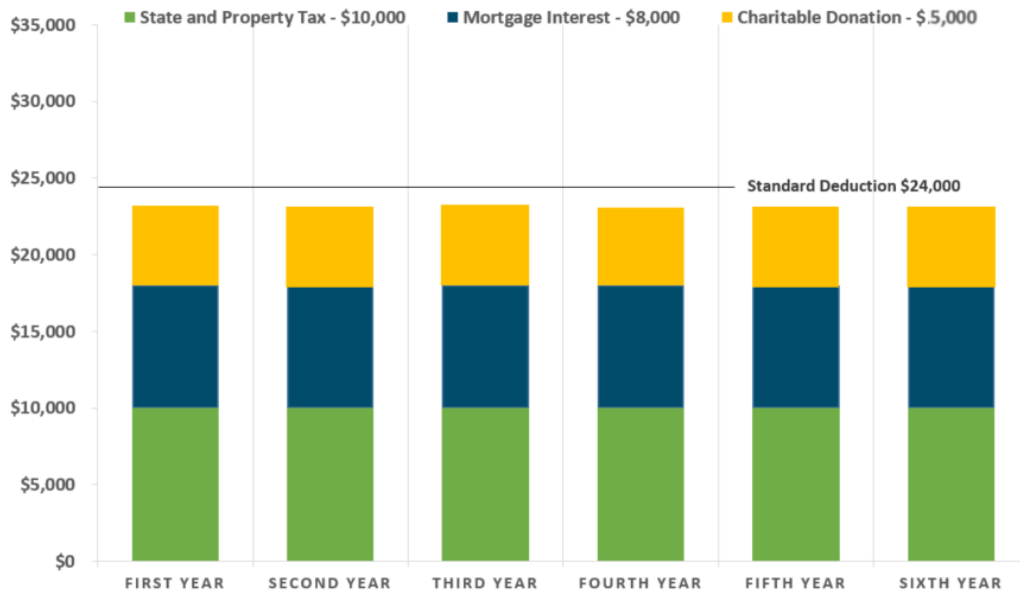


Maximizing Your Charitable Contributions With Donor Advised Fund Bunching

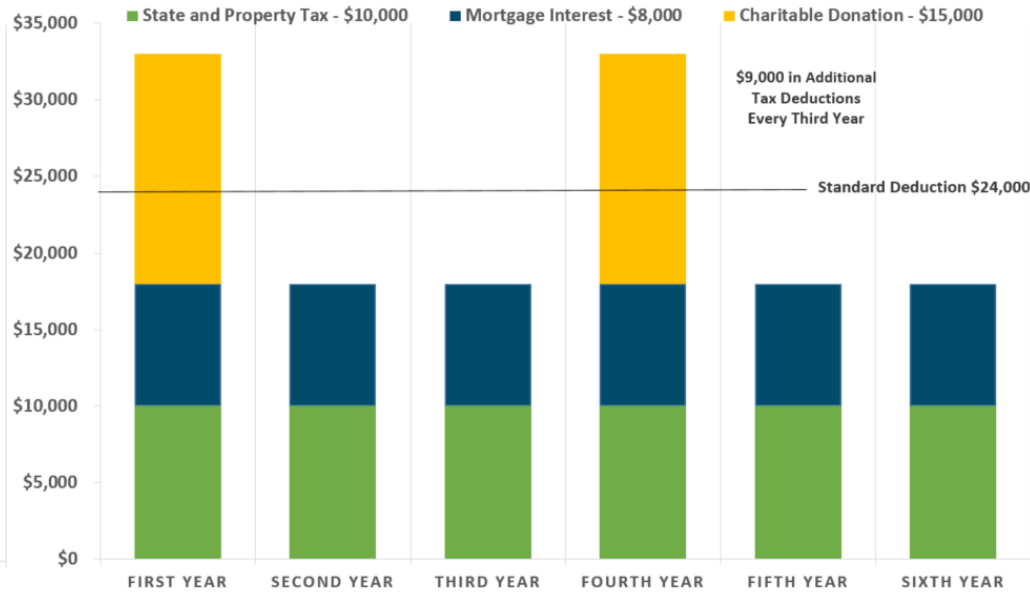
Many individuals who have a history of charitable giving may find themselves in an unfamiliar situation this year due to the new tax law. Under the new law, the standard deduction that can be subtracted from your taxable income without itemizing will rise to \$12,000 for individuals and \$24,000 for married couples.

Experts suggest that people who give regularly to charity may want to consider a practice called bunching to take best advantage of the new tax laws. In practice, bunching simply means that the donors “bunch contributions”. In the example below, every third year the donors contribute to their donor advised fund with an amount equal to the total needed for three years. In that year, the donors itemize their deductions when filing their tax return. In the next two years, the donors make their contributions from the donor advised fund and claim the standard deduction on the tax returns for those years. This method allows the donor to maximize the tax benefit of their charitable contributions.

WITHOUT DAF BUNCHING STRATEGY
NEW STANDARD DEDUCTION - \$24,000



WITH DAF BUNCHING STRATEGY
NEW STANDARD DEDUCTION - \$24,000



Donors Receive \$9,000 in Additional Tax Deductions Every Third Year

These graphs are to be used as an example only. THCF does not offer accounting or legal advice.

For more information about charitable bunching, contact Director of Advancement, Shannon Sundberg at 816.912.4182 or sundberg@thcf.org