

Industry Spotlight : 3 Big Benefits of a Donor Advised Fund

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What are the 3 ways a Donor Advised Fund can help you with your charitable giving?

1.) Time: I Don't Have Enough Time Before Dec 31st!

No worries! If you haven't made up your mind about which ministries you want to support this year and need a little more time to research or pray about it, you can open up a Donor Advised Fund (DAF) at The Catholic Foundation which will allow you to take any tax deductions you are eligible for. This gives you all the time you may need to do your research and prayerfully consider your charitable giving!

2.) Bundling: I Want to Maximize My Charitable Deductions by Bundling My Donations.

Depending on your level of standard deductions and your total itemized deductions, you may benefit from bundling your charitable contributions into one year. Making a larger donation in a single year into a new or existing DAF may help you increase your itemized deductions for 2022, while providing the flexibility to maintain your annual contributions to ministries you support. (See the illustration below.)

Benefit of Bundling Donations



Donors who give annually to one or more charities and are looking to maximize their tax deductions could consider bundling charitable gifts with a new or existing Donor Advised Fund (DAF).

For example, a married couple who donates \$4,000 to charity each year might not benefit from a charitable tax deduction if their total itemized deduction does not exceed the standard amount. However, by bundling several years worth of donations and making one larger donation in a single year, they can itemize in that year and receive a tax benefit for that single donation to a donor advised fund, while continuing to provide their desired \$4,000 to charities annually over several years.

***Always consult your tax advisor to see how this applies to your personal financial circumstances.*



3.) Pass It On: I Want to Pass My Charitable Values on to My Family Members

A DAF is similar to a family foundation where families can come together and consider different ministries in need of support. They can decide together where to give their charitable dollars or allow each member to give specific amounts to the ministry with which they feel most connected. The Catholic Foundation's DAF Program provides a unique opportunity to grow and allocate your charitable dollars in accordance with Catholic values. A DAF also allows the opportunity for the next generation to be successor advisors and carry on the legacy of your family's generosity.

Have questions? We're here to help. Please contact our offices at (407) 246-4889 or visit our [contact page here >](#)