

# CONTRIBUTING TO A DONOR-ADVISED FUND

You can maximize your charitable dollars and receive tax-related benefits through a donor-advised fund.

- ▶ Contributions to donor-advised funds are tax deductible to the maximum extent allowed by law. We will issue a tax receipt for each donation to a fund.
- ▶ Contributions to funds are invested, and the growth is tax-free.
- ▶ We can accept donations of cash, publicly traded securities and complex assets, including business interests, life insurance policies and real estate.
- ▶ Cash gifts are a great place to start, but donations of appreciated assets (held longer than one year) to a donor-advised fund often provide the additional benefit of avoiding long-term capital gains tax, as shown below.

|                                     | Gift of Cash   | Gift of Appreciated Stock |
|-------------------------------------|----------------|---------------------------|
| Fair Market Value of Gift           | \$10,000       | \$10,000                  |
| Charitable Deduction                | \$10,000       | \$10,000                  |
| Income Tax Savings                  | \$3,960        | \$3,960                   |
| Long-Term Capital Gains Tax Avoided | n/a            | \$1,600                   |
| <b>Total Donor Tax Savings</b>      | <b>\$3,960</b> | <b>\$5,560</b>            |

*This example includes the following assumptions:*

- The donor is in the 39.6% federal income tax bracket.
- The cost basis of the stock is \$2,000.
- The stock has been held for more than a year.
- The tax rate on long-term capital gains is 20%.

*The example does not take into account state or local taxes, alternative minimum taxes, the 3.8% net investment income tax, or limitations on itemized deductions that may be applicable.*

*We do not provide tax, legal or accounting advice. This is for informational purposes only.*

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