

SEO DETAILS:

Page Title: Donor-Advised Funds | [INSERT RELATED SERVICE] | [INSERT FIRM NAME]

Meta Description: [NAME OF FIRM] explains the advantages of donor-advised funds for those seeking to gain tax-related benefits and make a difference.

Headline: Donor-Advised Funds: Save on Taxes and Make a Difference

BODY COPY:

For individuals who seek to save on their taxes while still being charitable and making a difference in their communities, donor-advised funds (DAFs) are a strong possibility to consider.

Understanding donor-advised funds – what are they?

Simply put, a DAF is a charitable investment account. DAF accounts can be funded with liquid and/or illiquid assets such as cash, publicly traded securities, patents/royalties, C-corp stock or even artwork and life insurance policies. Once made, the donor contribution is irrevocable. In other words, the donor is no longer the legal title holder of the assets transferred into the account.

What are some notable advantages of donor-advised funds?

- The donor receives an immediate charitable contribution deduction for the fair market value of the assets transferred into the account, the deductibility of which depends on the nature of the assets transferred and the taxpayer's specific tax situation.
- The donor can grow their account by making additional contributions, and they can choose from a variety of investment options, including alternative investments, to grow their donation tax-free.
- When a DAF is funded with appreciated illiquid assets, such as stock market securities, the account administrator is responsible for cashing out enough of the assets to fund the donor's charitable giving directives. Since the donor is no longer the legal title holder of the assets, the gain on the sale of the assets is not taxable to the taxpayer, allowing the charitable giving to go farther.
- The donor retains the ability to recommend donations to IRS-approved 501(c)(3) organizations. They also control the frequency and the amounts of the charitable disbursements.
- The account administrator is responsible for mailing checks to charities, keeping track of charitable giving, account values and earnings, and compiling annual donation reports. This eases the administrative burden on the donor.
- Unlike private foundations, DAFs do not have reporting/compliance requirements at the account level and do not pay excise taxes on their investment income. Again, this eases the administrative burden.
- Donors have the ability to create a legacy and extend their philanthropy beyond their lifetime by naming successors and beneficiaries to their account.

DAFs typically incur administrative/management fees in the vicinity of one percent of the fair market value of the assets held in the account.

To summarize, if you're looking to apply your assets toward charitable causes you hold dear, and do so in ways that are advantageous from a tax standpoint, DAFs are a tactic you should consider.

Do you have questions about DAF accounts, or other tax-related issues?

CLOSE:

Do you have questions about donor-advised funds, or other tax strategies? Please contact [NAME] in our [DEPARTMENT] at [NUMBER/EMAIL].

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