

Speaking Their Language: Help Your Donors Make the Best Possible Gift

5 of the Most Common Giving Vehicles in 2018

Appreciated Securities are investments, such as stock or mutual funds, held for more than one year and have increased in value. Savvy investors can donate their appreciated securities and receive a tax deduction for fair market value, while avoiding future capital gains tax penalties on the sale.

Donor-advised Funds (DAFs) are funds established by donors but maintained, controlled and administered by a sponsoring organization, like a community foundation, a national fundholder (such as Fidelity or Vanguard), or a single-issue charity. To get started, a donor makes an irrevocable, tax-deductible contribution to the sponsoring organization, and then recommends grants for approval and distribution. DAFs continue to grow in popularity because these funds allow donors to give strategically and enjoy increased flexibility, while also reducing their administrative burden. We have written and read a lot about these fast-growing funds.

Charitable Bequest is a provision in a designee's will or trust to benefit a nonprofit, trust or foundation payable upon their death. Bequests are revocable commitments but offer donors an opportunity to leave a lasting legacy with a valued nonprofit, while reducing the tax burden on their estate.

IRA Charitable Rollover allows traditional IRA and Roth IRA accountholders age 70½ or older to make qualified charitable distributions up to \$100,000 annually, which are not considered part of their taxable income. Public charities and private operating foundations are eligible to receive these distributions. A married couple may contribute up to \$200,000 per year, if each has a separate IRA.

Gift Bunching/Gift Bundling is a strategy that involves combining tax-deductible charitable contributions that would typically be made over years into a single year. This technique is more prevalent since the passage of last year's tax law, which capped state and local income tax and real estate tax deductions at \$10,000 and increased the federal standard deduction for both individuals and couples. Bunching allows donors to itemize their deductions for a single year and take advantage of the increased standard deduction in subsequent years.

About The Curtis Group

Founded in 1989, The Curtis Group is a fundraising consulting firm that has raised hundreds of millions of dollars and worked with nearly 200 nonprofits across all sectors. Our services include fundraising planning studies, campaign management and counsel, board and staff development and capacity building. The Curtis Group is a member of the prestigious Giving Institute, an international organization that is dedicated to promoting philanthropy through education, research and the ethical practices of fundraising counsel.

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