

CHARITABLE FUNDS:

A Smart Solution For Year-End Giving



Grow Your Charitable Impact



AKRON
COMMUNITY
FOUNDATION
ENRICHING LIVES SINCE 1955

STRATEGIC TIPS

For Charitable Giving Under The CARES Act

The CARES Act



increased the AGI limit
for cash donations
to public charities to

100%

for individuals



A
N
D



25%

for corporations

**THIS OPPORTUNITY IS
SET TO EXPIRE AFTER 2021**

Any unused deductions
may still be **carried forward**

for up to **5 years**

Taxpayers who
do not itemize
can receive an additional
above-the-line deduction



of
up
to

\$300

or **\$600** for married
couples filing jointly



for cash donations **made in 2021**

While these provisions **do not**
include gifts to

**donor-
advised
funds,**



which still have
a deduction limit
of **60%**, they **do apply** to

any other type of
charitable fund
we offer



The standard deduction has
increased to:

\$12,550

For individuals



\$25,100

For married couples filing jointly,



making it difficult for many taxpayers
to itemize their charitable contributions

One solution?
Bunch your donations
in a charitable fund



**You can take advantage of the
100% AGI limit* now,**

while spreading out grants to
your favorite charities over time

*does not include gifts to donor-advised funds



MAXIMIZE YOUR TAX SAVINGS

With Gifts Of Appreciated And Closely Held Stock

With the stock market reaching record highs, many taxpayers are looking for a way to increase deductions and reduce their tax burden for 2021. Our experienced team can help you lower your tax liability and preserve more of your hard-earned money for your charitable goals.

By giving
appreciated stock,
you'll receive a deduction
for the fair market value



and will also **eliminate capital gains taxes**

For the
greatest impact,
donate appreciated shares with a **low cost basis**.

You can then repurchase
the same number of
shares with **cash**



to **reset your cost basis** without
recognizing the gain

These tax savings may be
 **even more valuable**

in light of proposed
legislation that would
increase tax rates

for high-income
earners and
capital gains



Business owners
who are considering
selling a privately
held company



can also
significantly offset taxes
from the sale

by using a portion of their
business interests to establish
a **donor-advised fund** at
Akron Community Foundation

We recommend
including charity



as early
in the succession
planning process
as possible

so you receive the
maximum

tax and
charitable
benefit



THE IMPACT OF THE SECURE ACT

On Charitable Giving

STRETCH IRA ELIMINATED



Under the SECURE Act, non-spousal IRA beneficiaries can no longer stretch the distributions of an inherited IRA over their life expectancy. Now, distributions must be completed within 10 years.

POTENTIAL TAX BURDEN



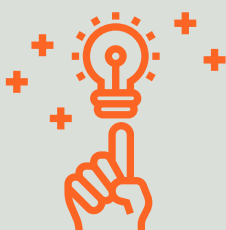
Because IRA distributions are taxable income, this could create a significant tax burden for your beneficiaries.

CONSIDER GIFT FROM IRA



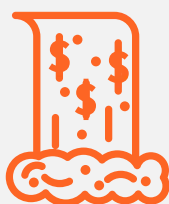
Instead, consider gifting your IRA assets to charity tax-free and leaving more favorable assets – such as appreciated stock – to your heirs.

ANOTHER SOLUTION



You can also achieve the benefits of a stretch IRA with a charitable remainder trust.

LIFETIME STREAM OF INCOME



By naming the trust as the beneficiary of your IRA, you can guarantee a lifetime stream of income for your heirs and leave the remaining assets to charity.

INCREASED FLEXIBILITY



The charitable beneficiary can even be your own donor-advised fund, giving your family increased flexibility for how the charitable assets are spent in the future.



TAKE ADVANTAGE OF YOUR IRA

ACF Makes Donating Retirement Assets Easy

The deadline for a required minimum distribution is **quickly approaching!**



If you are 72 or older and haven't yet taken your required minimum distribution, consider using it to support your favorite charities.

By making distributions **from your IRA directly to charity,**



You'll gain the equivalent of a **dollar-for-dollar charitable contribution deduction** on this year's tax return

Qualified charitable distributions allow donors to

avoid paying income taxes on the distributions



while supporting deserving causes in the community.



These tax-free distributions can be large or small — from \$100 to \$100,000.

Gifts of IRA assets are especially advantageous for seniors who can no longer itemize their charitable contributions under the current tax law.

IMPORTANT REMINDERS

Distributions must be made **directly**

from the trustee of the IRA



to charity

Donors cannot deposit the distribution and then write a check to charity

Qualified charitable distributions can support



any
public charity

including Akron Community Foundation



Qualified charitable distributions

cannot support

 **Donor-Advised Funds**



They CAN support or create

- ✓ Designated Funds
- ✓ Scholarship Funds
- ✓ Agency Endowment Funds
- ✓ Field-of-Interest Funds (in the donor's area of interest)



IS A DONOR-ADVISED FUND RIGHT FOR YOU?

The Answer May Be Yes If You:

1

WANT MAXIMUM FLEXIBILITY

Want maximum flexibility to give to multiple charities or change beneficiaries over time.



2

WISH TO INVOLVE YOUR FAMILY

Wish to involve your spouse, children or grandchildren in your philanthropy.



3

PREFER TO BE ANONYMOUS

Prefer to give anonymously and avoid funding appeals.



4

HAD AN EXCEPTIONALLY HIGH-INCOME YEAR

Have had an exceptionally high-income year in which you need immediate charitable tax benefits, but you prefer to decide which charities to support over time.



5

WANT TO ALLEVIATE THE BURDEN OF FUND MANAGEMENT

Would like someone else to handle the administrative work while you focus on your charitable impact.



How A Donor-Advised Fund Works



GIVE

to your fund and receive a tax deduction



GROW

your charitable assets today and tomorrow



GRANT

to the causes you care about most

Contact your advisor to learn if a donor-advised fund is right for you. Or, for more information, contact **Laura Lederer at Akron Community Foundation at 330-436-5611 or llederer@akroncf.org.**

