



CENTRAL FLORIDA'S INDEPENDENT JEWISH VOICE



Smart tips to help maximize your charitable giving

Ellen Smith Israelson | Dec 22, 2023 0



As the end of the year approaches, you've probably noticed your inbox filling up with requests from charities asking for year-end donations. Giving is important, especially now. Like so many people, you may find yourself stressed as you scramble to locate receipts and track contributions to document your tax deductions for 2023. You may also discover that organizing your giving differently could have resulted in greater tax benefits.

Here are a few tips to help you maximize your tax deductions, be more intentional about your giving, and reduce stress not just in December, but throughout the year.

- Organizing your giving with a charitable tax vehicle that offers an immediate tax deduction.

If you support multiple charities, consider using a vehicle to streamline your philanthropy. One option is a private foundation, which enables you to put aside money in advance, take a tax deduction up front, and plan your grant-making over time. But the drawback is that private foundations are costly to set up, and you will still need to manage your record-keeping and tax filings. A simpler option is a donor advised fund, which organizes your charitable giving, eliminates record-keeping, and doesn't require filing a 990 form. That's why donor advised funds are the fastest-growing charitable vehicle.

- Donor advised funds help get money to your charities swiftly and securely.

Donor advised funds are a flexible and tax-efficient way to give, and most DAFs can be opened with a minimum contribution of \$5,000. When you contribute to a DAF you qualify for an immediate deduction, regardless of when and how many charities you support. The DAF provides the only receipt you'll need. Most DAF accounts are managed on a secure portal. At Jewish Communal Fund, you can make grants and see your giving and contribution history when you log in. You can recommend grants to IRS-approved charities in every sector.

- Donate cash or appreciated securities to maximize your tax savings and earn tax-free income.

Cash contributions to a donor advised fund or other public charity are generally eligible for an income tax deduction of up to 60 percent of your adjusted gross income. If you have appreciated securities — held for more than 12 months — you can electronically transfer shares to a donor advised fund and claim a fair market value deduction of up to 30 percent of adjusted gross income. Even better, you will not be subject to capital gains tax on the appreciated portion of the contribution. After the DAF sponsor (the organization where you have your account) liquidates the stock, the proceeds are credited to your fund, enabling you to make grants to multiple charities. At Jewish Communal Fund, you may choose from a robust selection of investments, and the tax-free earnings will be rebalanced into your Jewish Communal Fund account.

- Plan ahead and respond swiftly when there is a crisis.

Putting money aside when you have additional income such as a bonus, appreciated securities, or an inheritance allows you to be more tax-efficient and intentional with your giving. So when a crisis occurs, like the terrible Oct. 7 attack on Israel or a devastating natural disaster, you will be ready to help with a donation with the click of a button. Grants from Jewish Communal Fund are sent out within two to three days.

- Use a donor advised fund to group contributions for several years of giving.

You can make a contribution to a donor advised fund by “bunching” what you would have contributed to charities over the next two to three years, enabling you to reach the threshold for itemizing your tax return and qualifying for a maximum tax deduction. Many DAFs do not have an annual minimum distribution requirement, so you can set the timetable for making grants.

- Terminate a private foundation using a DAF.

If you already have a private foundation, you can transfer assets to a DAF to eliminate the expense and administrative burden. Unlike the private foundation, your confidentiality is protected because DAFs report in the aggregate rather than disclosing information on individual fundholders.

- Engage the next generation with a community of Jewish philanthropists.

At Jewish Communal Fund, parents or other family members may open funds for their adult children between the ages of 18-30 with a contribution of only \$1,800. This is an effective way to help the next generation begin their own philanthropic journey as part of a network of Jewish givers.

Why choose Jewish Communal Fund?

JCF is the largest and most experienced Jewishly affiliated donor advised fund in the nation, with over \$2.8 billion in charitable assets for 4,700 funds. Each year, JCF's board of trustees makes a \$2 million gift from its revenues to the annual campaign of UJA-Federation of New York. JCF's endowment, the Special Gifts Fund, makes annual grants on behalf of fundholders to support organizations that promote the welfare and security of the Jewish community at home and abroad. After the outbreak of the war in Israel, JCF's trustees awarded \$500,000 from the Special Gifts Fund for the Israel Emergency Fund of UJA-Federation of New York.

Additionally, JCF's endowment has supported kosher food pantries, JCCs, Jewish summer camps, and services for the elderly and Holocaust survivors. Unlike commercial DAFs, JCF offers Jewish values investments such as Israel Bonds and an Israeli exchange-traded fund. JCF's recoverable grant program partners with the leading Jewish loan societies – Hebrew Free Loan Society in the U.S. and Ogen in Israel. Just by using JCF to help streamline your giving, you will stand with a proud network of Jewish philanthropists supporting the Jewish community's important communal organizations.

*This is not accounting advice, so consult with your accountant regarding your own personal situation.

Ellen Smith-Israelson is the CMO and vice president of philanthropic services at Jewish Communal Fund. Her career in philanthropy spans 36 years working in the arts, higher education and Jewish organizations. For help deciding whether a donor advised fund is right for you, visit JCFNY.org or contact the JCF team to request more information or schedule a call.

This story was sponsored by and produced in collaboration with Jewish Communal Fund, which helps donors organize their charitable giving, maximize tax deductions and be part of a community of Jewish philanthropists. This article was produced by JTA's native content team.

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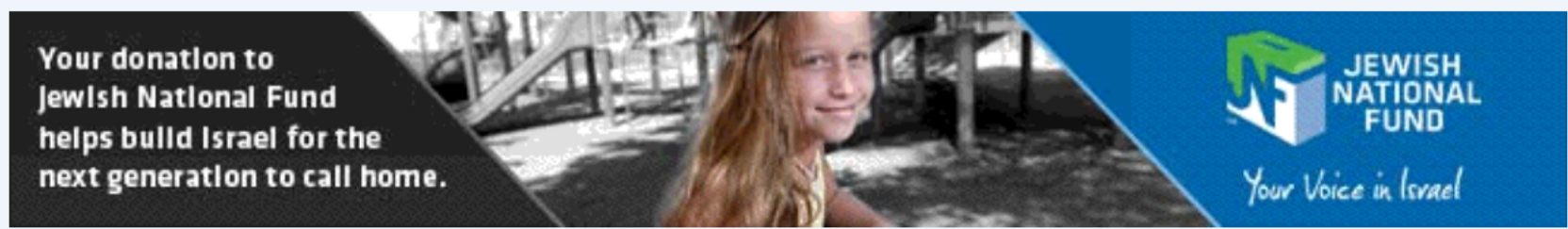
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