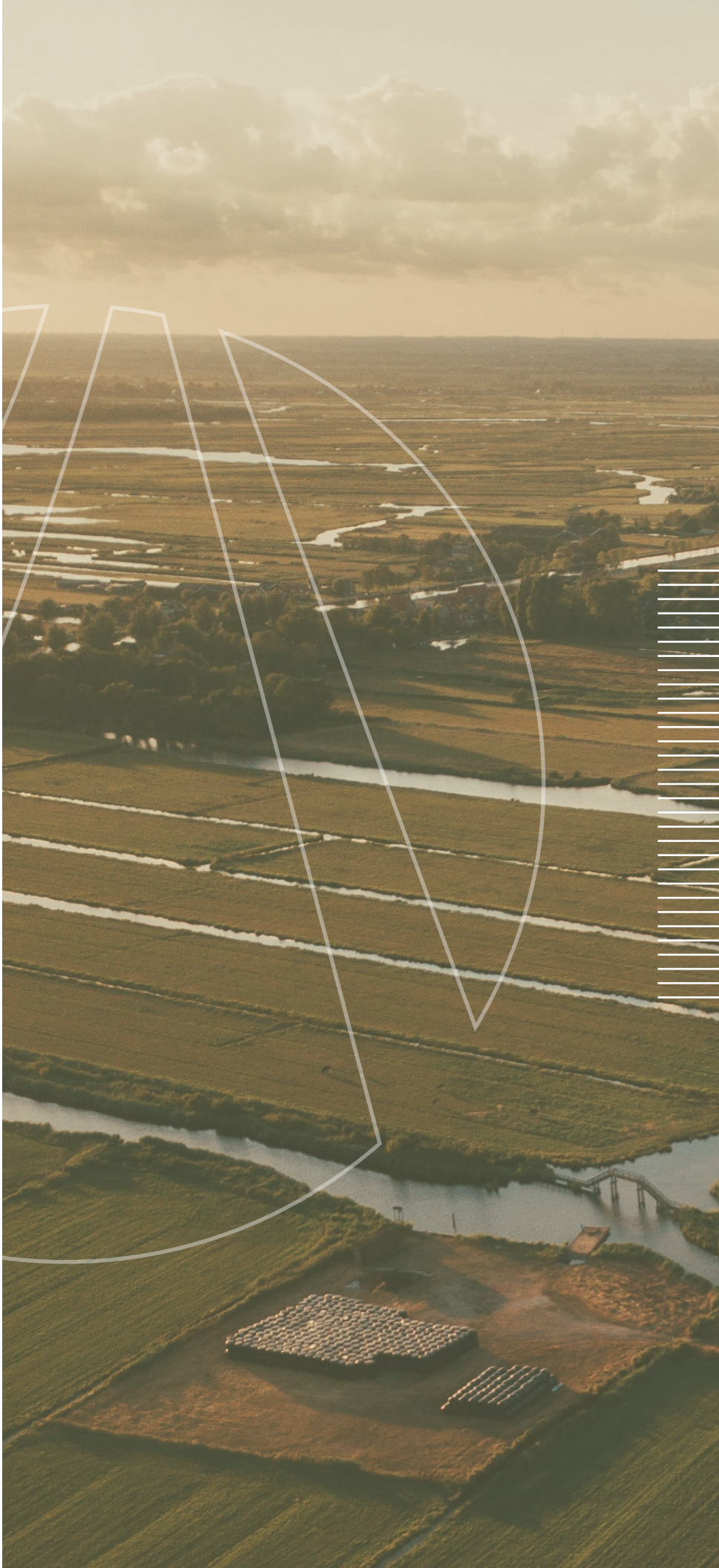


# Donor - Advised Funds

CREEKMUR  
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# Donor-Advised Funds



## DONOR-ADVISED FUNDS: GIVING MADE EASY

Donor-advised funds are held through a 501(c)(3) organization. An account is set up for the donor's fund; then they donate assets — such as cash, securities or real estate — to the fund.

Donors are eligible to take an income tax charitable deduction at the time of contribution. Through the fund, they can grant money to the charities of their choosing — but they don't have to do it right away. Donors can build up the fund over time to make larger grants to charities in the future while immediately enjoying the tax advantages of their gifts into the fund.

In contrast to private foundations, donor-advised funds maintain donors' confidentiality, requiring no IRS disclosures. The funds are also simple to establish, with no minimums to get started.





# DONOR-ADVISED FUNDS PROVIDE A VARIETY OF BENEFITS:

## **1 | INCOME TAX DEDUCTION**

*Donors' contributions to the fund are tax-deductible.\**

## **2 | GIVE A VARIETY OF ASSETS**

*Through the fund, a donor can give cash, securities, real estate or other valuable assets.*

## **3 | NO CAPITAL GAINS TAX**

*Most appreciated assets within the fund do not incur capital gains tax when sold.*

## **4 | NO ESTATE TAX**

*Assets in the fund are not included in the donor's estate.*

## **5 | TAX-FREE GROWTH**

*Fund assets generally appreciate tax-free.*

## **6 | ALTERNATIVE MINIMUM TAX (AMT) REDUCTION**

*Contributions to the fund may reduce the donor's exposure to AMT.\*\**

*\* Depending on tax filing status, contributions may or may not be tax deductible.*

*\*\* If subject to the alternative minimum tax (AMT), contributions to a donor-advised fund may reduce this tax burden.*



## IDEAS FOR USING DONOR-ADVISED FUNDS

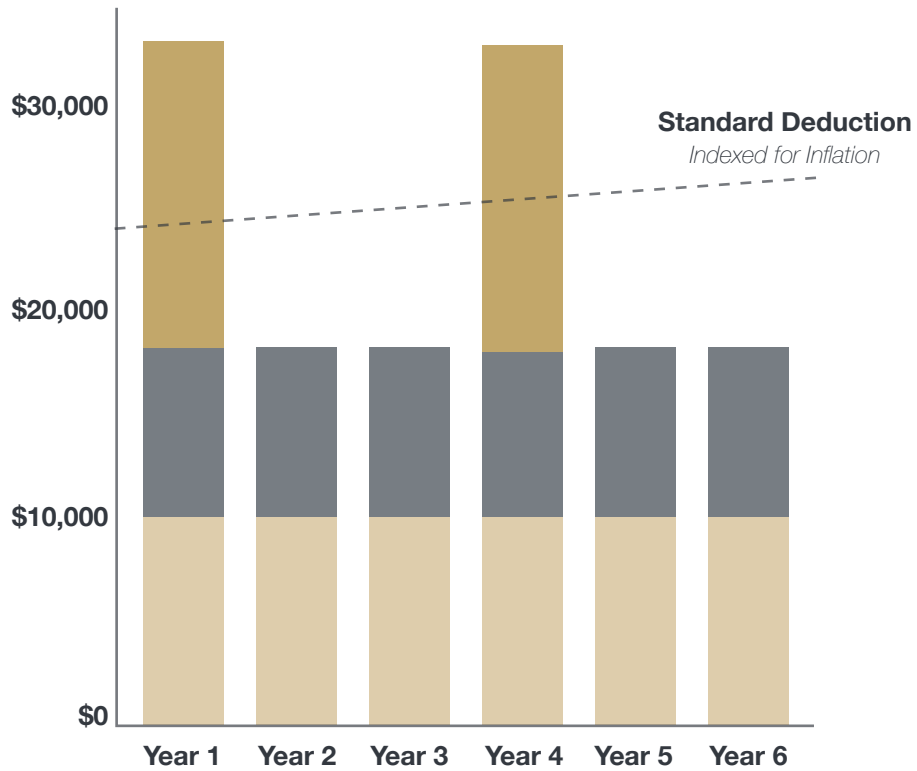
WHEN PLANNING FOR CLIENTS

### **IDEA #1: BUNCHING DONATIONS IN A SINGLE YEAR TO RECEIVE MAXIMUM TAX BENEFITS**

Gifts to donor-advised funds are tax deductible, so donors can combine two or three years of charitable contributions in one calendar year and exceed the standard deduction in that year. Then they can use the assets to consistently support their favorite charities, even in years when they take the standard deduction.

The following scenario shows how a married couple, filing jointly and typically giving \$5,000 a year to charity, can benefit from bunching their charitable contributions into a \$15,000 donation every three years. In this example, the couple itemizes in years one and four and takes the standard deduction in years two, three, five and six.





**Tax-Deductible Expenses:**

- Charitable Donation \$15,000
- Mortgage Interest \$8,000
- State and Local Taxes \$10,000

*This is a hypothetical example for illustrative purposes only. The federal alternative minimum tax is not taken into account. Please consult your tax advisor regarding your specific legal and tax situation. Information herein is not legal or tax advice.*

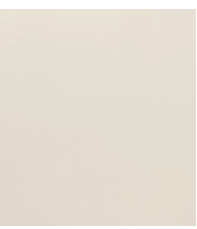
# Donor-Advised Funds



**IDEA #2: REDUCING TAXES FROM RMDs WITH DONATION TO DONOR-ADVISED FUNDS**

IRA owner could donate assets to the donor-advised fund to reduce taxes incurred by taking other RMDs.





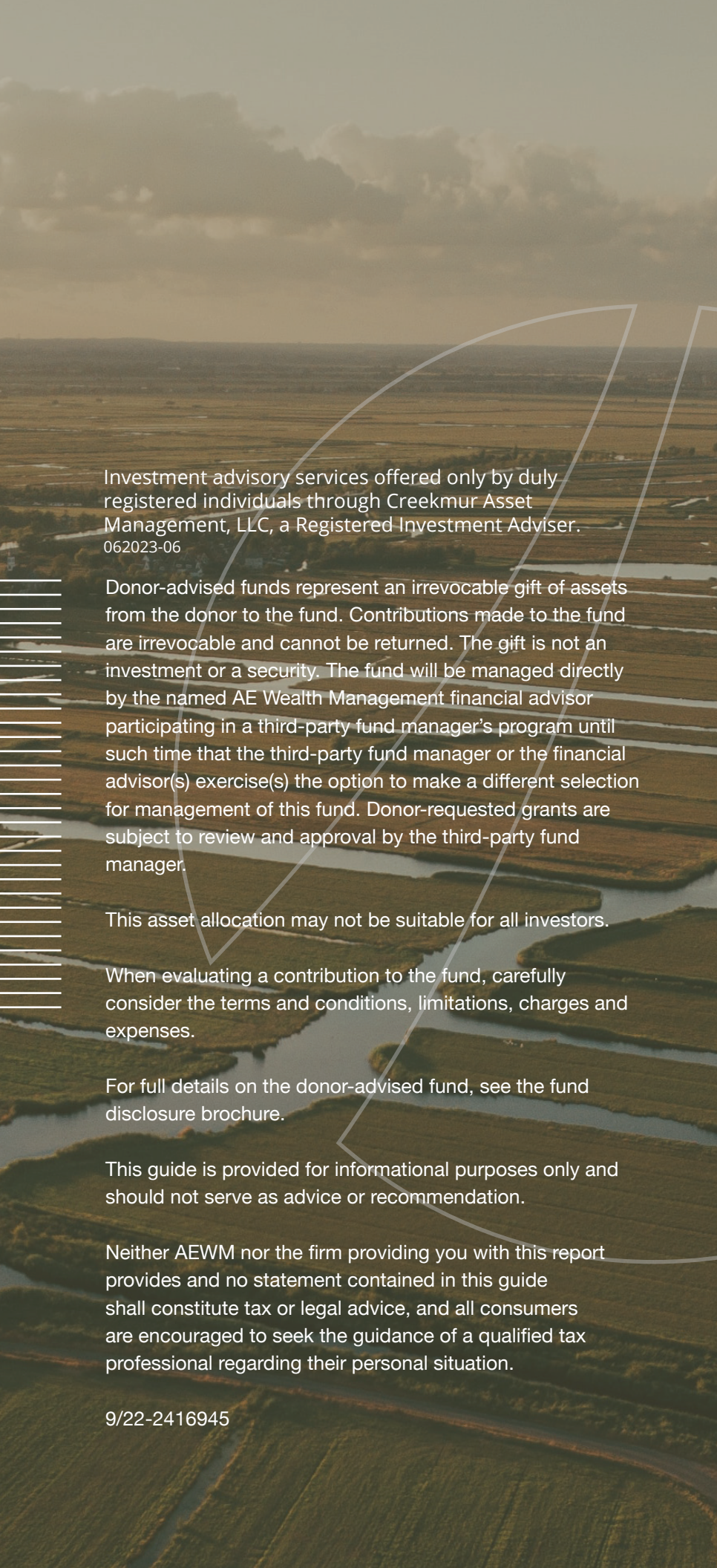
READY  
TO GET  
STARTED

**WITH DONOR-  
ADVISED FUNDS?**

Contact your Wealth Advisor  
today at 866-358-4441 to  
learn more!







Investment advisory services offered only by duly registered individuals through Creekmur Asset Management, LLC, a Registered Investment Adviser.  
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Donor-advised funds represent an irrevocable gift of assets from the donor to the fund. Contributions made to the fund are irrevocable and cannot be returned. The gift is not an investment or a security. The fund will be managed directly by the named AE Wealth Management financial advisor participating in a third-party fund manager's program until such time that the third-party fund manager or the financial advisor(s) exercise(s) the option to make a different selection for management of this fund. Donor-requested grants are subject to review and approval by the third-party fund manager.

This asset allocation may not be suitable for all investors.

When evaluating a contribution to the fund, carefully consider the terms and conditions, limitations, charges and expenses.

For full details on the donor-advised fund, see the fund disclosure brochure.

This guide is provided for informational purposes only and should not serve as advice or recommendation.

Neither AEWG nor the firm providing you with this report provides and no statement contained in this guide shall constitute tax or legal advice, and all consumers are encouraged to seek the guidance of a qualified tax professional regarding their personal situation.

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