

WHEN TO SET UP A DONOR-ADVISED FUND



Is your situation similar to any of these?

- **You make numerous charitable gifts throughout the year:** A donor-advised fund provides a simple, flexible and economical way to manage your charitable contributions now and in the future.
- **You have highly appreciated stock:** You can avoid paying capital gains taxes on the gain in the stock and generate a tax deduction. Then, you can make gifts from your donor-advised fund over time.
- **You have received an inheritance:** You can create a memorial donor-advised fund in the name of your benefactor and generate a tax deduction. Then you can make gifts, over time, to charities that were meaningful your benefactor.
- **You are selling a house or vacation home:** You can avoid paying capital gains taxes on the gain in the property and generate a tax deduction. Then, you can make gifts from your donor-advised fund over time. (You do not have to give the entire house to charity; you might only gift a small fraction of it.)
- **You wish to memorialize a loved one:** Create a donor-advised fund in the name of your loved one. Make periodic gifts to charities that were important to him or her.
- **You wish to create a family culture of philanthropy:** Introduce your children and grandchildren to philanthropy by setting up a donor-advised fund and letting the group decide which charities should receive gifts from the fund. Hold an annual board meeting and ask each person make a presentation to the group about a thoroughly researched charity and then vote.
- **You are selling a business:** If you have substantial capital gains from the sale of a business, you could avoid some capital gains taxes by carving off a part of the business proceeds and putting it into a donor-advised fund. You would generate a tax deduction that would further reduce your taxes. Make gifts to your favorite charities over time when you have more time to research them.
- **You wish to create a corporate culture of philanthropy:** Set up a donor-advised fund in the name of the company and generate an immediate tax deduction. Form a committee of employee volunteers to investigate and recommend gifts to charities. Build name recognition for good deeds. Help to create a healthy local economy, which will help your firm to be successful.
- **Use with a charitable remainder trust:** Set up a donor-advised fund to be the remainder beneficiary of a charitable remainder trust. Specify your children as gift advisors to carry on your legacy of community involvement.

About Community First Foundation

Since 1975, Community First Foundation has helped individuals, families, business and nonprofits come together to improve the quality of life and create positive change in Jefferson County, the Denver metropolitan area and beyond. With a deep understanding of the charitable community and a highly personalized level of service, we provide the support and resources to help you create and implement your charitable giving plan.

At Community First Foundation, our business is building a strong community. We are determined to bring together community partners and find innovative and effective solutions for some of our most challenging social problems.

ColoradoGives.org is a year-round, online giving website. Made possible by Community First Foundation since 2007, ColoradoGives.org encourages charitable giving by providing comprehensive, objective and up-to-date information about Colorado nonprofits and an easy way to support them online. Since its debut in 2007, the website has raised \$44.3 million for Colorado nonprofits.



A program of Community First Foundation



Colorado Gives Day is an annual statewide movement to celebrate and increase philanthropy in Colorado through online giving. The day is powered by ColoradoGives.org, a year-round, online giving website featuring more than 1,900 Colorado nonprofit organizations. Since its inception in 2010, Colorado Gives Day has raised \$111.5 million for Colorado nonprofits.

[Learn more](#)

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