

**DONOR ADVISED FUND TAX ADVANTAGES - CLIENT GOAL IS TO DONATE \$13,000/yr TO VARIOUS CHARITIES**

SCENARIO A: SELL STOCK & DONATE CASH		# Shares	Price/Sh	Value						
# Shares JPMorgan stock		900	\$ 115.56	\$ 104,000						
Cost Basis				\$ (28,158)						
<b>Capital Gain</b>				<b>\$ 75,842</b>						
Fed Cap Gains Tax			15.0%	\$ (11,376)						
State Cap Gains Tax			6.0%	\$ (4,551)						
Medicare Surtax			3.8%	\$ (2,882)						
<b>Total Capital Gains Tax Upon Sale</b>				<b>\$ (18,809)</b>						
<b>After-tax proceeds available to gift</b>				<b>\$ 85,192</b>						
<b>Deduction Analysis-highlight optimal</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>TOTAL</b>	
<b>Standard Deduction:</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ 192,000</b>	
Itemized Deductions:										
State/Prop Tax	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000		
Charitable Donations to individual chariti	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 7,192	\$ -	\$ 85,192	
<b>Total Itemized</b>	<b>\$ 23,000</b>	<b>\$ 23,000</b>	<b>\$ 23,000</b>	<b>\$ 23,000</b>	<b>\$ 23,000</b>	<b>\$ 23,000</b>	<b>\$ 17,192</b>	<b>\$ 10,000</b>		
<b>Max Deduction</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ 192,000</b>	
<b>SCENARIO B: DONATE APPRECIATED STOCK TO DONOR ADVISED FUND (DAF)</b>										
Charitable Donations to DAF tax-free	\$ 104,000								\$ 104,000	
Grants	\$ (13,000)	\$ (13,000)	\$ (13,000)	\$ (13,000)	\$ (13,000)	\$ (13,000)	\$ (13,000)	\$ (13,000)		
<b>Ending Balance of DAF</b>	<b>\$ 91,000</b>	<b>\$ 78,000</b>	<b>\$ 65,000</b>	<b>\$ 52,000</b>	<b>\$ 39,000</b>	<b>\$ 26,000</b>	<b>\$ 13,000</b>	<b>\$ 0</b>		
<b>Deduction Analysis-highlight optimal</b>									<b>TOTAL</b>	
<b>Standard Deduction:</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ 192,000</b>	
Itemized Deductions:										
State/Prop Tax	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000		
Charitable via DAF	\$ 104,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
<b>Total Itemized</b>	<b>\$ 114,000</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>		
<b>Max Deduction</b>	<b>\$ 114,000</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ 24,000</b>	<b>\$ 282,000</b>	
<b>Income Sheltered by bundling</b>	<b>\$ 90,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 90,000</b>	
Income Sheltered by bundling	\$ 90,000									
Federal Income Tax avoided	33%	\$ (29,700)								
State Income Tax avoided	6%	\$ (5,400)								
<b>INCOME TAX SAVED BY BUNDLING</b>		<b>\$ 35,100</b>								
<b>CAPITAL GAINS TAX SAVED BY DONATING STOCK</b>		<b>\$ 18,809</b>							(see Scenario A)	
<b>TOTAL TAX SAVINGS from BOTH STRATEGIES</b>		<b>\$ 53,909</b>								

This is an example of donating appreciated stock by "bundling" giving using a Donor Advised Fund. Consult your tax, financial and legal advisors to determine the best options for you.