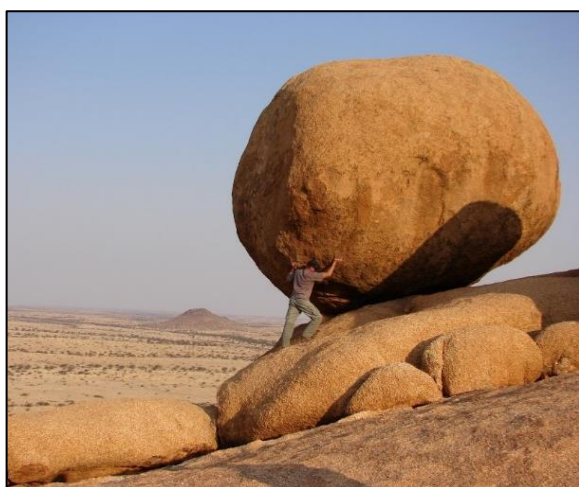


## Strong Year-End Giving in A Bear Market: Donor-Advised Funds Come in Handy

Giving appreciated stock to charitable organizations is certainly a highly-effective tax strategy. During years when highly-appreciated stock is in short supply, however, implementing this strategy may be easier said than done.



This is when donor-advised funds come in especially handy. Now is the time to discuss charitable giving with those clients who regularly added to their donor-advised funds throughout the market's long bull run. If these clients intend to [ride out](#) today's market conditions in their personal portfolios, this year's bear market doesn't mean the clients' year-end charitable giving has to take a hit. These clients can use their donor-advised funds to support their favorite organizations, sometimes even at levels consistent with prior years.

Related, now is a good time for clients to evaluate the asset allocation in their donor-advised funds. The Chester County Community Foundation is happy to assist clients who have donor-advised funds at CCCF with assessing allowable withdrawals in their donor-advised funds as a potential source of year-end giving.

Similarly, for some clients, this may be a year to consider contributing cash to a donor-advised fund instead of donating highly-appreciated stock (which has been the go-to gift for so many of the last several years). Gifts of cash could reduce the burden on a client's personal stock positions that may have fallen in value dramatically, giving these positions more time to recover value and, at some point in the future, be contributed to a donor-advised fund at a higher value (thereby resulting in a higher tax deduction for the client).

Now may also be a good time for clients to consider using their cryptocurrency in creative ways to meet their charitable giving goals. Clients holding cryptocurrency may have come to the conclusion that it [does not necessarily provide](#) the protection against inflation they thought it would. A client could, for instance, sell their cryptocurrency at a loss and contribute the cash to their donor-advised fund. For donations of cryptocurrency to CCCF, please contact CCCF in advance to assess process and IRS substantiation requirements. Then, the client can keep an eye on the cryptocurrency market and decide when, or whether, to wade back in.

Finally, consider encouraging your clients who've not yet established donor-advised funds at the Chester County Community Foundation to consider doing so now. Establishing and/or gifting to an existing donor advised fund makes sense for a client who is in a tax situation which would benefit from a charitable contribution now to offset current taxes, with the ability to defer to a later date charitable gifts to their favorite nonprofits. Not only does a donor-advised fund help organize charitable giving, but over the long term it can also protect a client's ability to support favorite charitable organizations even when market conditions are rough.

For more information, contact the Chester County Community Foundation:

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*The team at the Chester County Community Foundation is a resource and sounding board as you serve your philanthropic clients. We understand the charitable side of the equation and are happy to serve as a secondary source as you manage the primary relationship with your clients. This newsletter is provided for informational purposes only. It is not intended as legal, accounting, or financial planning advice.*