

Donor-Advised Funds: Flexible, Tax-Friendly, and Just the Beginning

As attorneys, CPAs, and financial advisors, you've no doubt noticed that financial publications' [coverage](#) of donor-advised funds is increasing. This is no surprise, considering that these popular vehicles can help your clients achieve both their financial and philanthropic goals. What many advisors don't realize is that a donor-advised fund at the Chester County Community Foundation is not only useful as a standalone tool, but even more importantly, it can serve as the flexible foundation of a client's overall charitable giving portfolio. Here's how this works:



Organize annual giving

Fundamentally, a donor-advised fund offers a centralized way for a client to manage gifts of cash, appreciated stock, and other assets while maintaining flexibility in timing grant distributions to favorite charities. This flexibility is especially important for some clients as a planning tool in 2025 before the new floor and cap [kick in](#) next year on itemized charitable deductions. "[Bunching](#)"—or front-loading—multiple years of charitable contributions into a donor-advised fund this year can create meaningful tax advantages and provide a ready reserve of philanthropic capital for years to come.

Wide range of tools and resources

The donor-advised fund itself is just the beginning! Beyond enjoying convenience and tax efficiency, your clients who establish donor-advised funds at the Community Foundation can work closely with our knowledgeable team to access even more charitable giving resources and vehicles that align with your clients' charitable goals.

Community impact

The Community Foundation's deep understanding of local nonprofits and community priorities can help clients enhance their engagement and impact. Our team provides insights, research, and connections that help your clients understand where their dollars make the most difference—turning charitable intent into meaningful outcomes.

A variety of fund types

The Community Foundation offers a wide range of options beyond just donor-advised funds. A designated fund, for example, enables your client to provide long-term support to specific organizations. A field-of-interest fund targets specific causes your client cares about that are being addressed in the community by several nonprofits and sometimes even by the Community Foundation itself.

Giving from IRAs

A client who is 70½ or older can transfer Qualified Charitable Distributions (QCDs), up to \$108,000 per taxpayer (2025 IRS limit), from IRAs to a designated, field-of-interest, or unrestricted fund at the Community Foundation, and in the process, bypass taxable income.

Legacy strategies

The Chester County Community Foundation team is happy to help you integrate legacy planning strategies into clients' charitable giving portfolios. Whether through bequests in wills and trusts, or through beneficiary designations on life insurance or retirement accounts, naming a donor-advised or other fund at the Community Foundation allows your clients' charitable intentions to extend across future generations. The Community Foundation offers ongoing support and stewardship, ensuring clients' charitable intent is preserved and aligned with evolving community needs over time.

What's the bottom line here? Partnering with the Chester County Community Foundation helps your client's donor-advised fund function not only as a tax-efficient giving vehicle, but also as the dynamic, flexible foundation of a comprehensive charitable portfolio—built to adapt through changing tax environments and community priorities.

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.