

Keep Going: Why Donor-Advised Funds are Still Essential



For many CPAs, estate planning attorneys, and financial advisors, the end of 2025 brought a whirlwind of charitable planning activity among high-earner clients. That's because many taxpayers wanted to maximize the tax benefits of their charitable donations before the 0.5% "floor" and 35% "cap" on charitable deductions kicked in on January 1, 2026 under new [tax laws](#). Donor-advised funds in particular played a big role in many late-2025 planning strategies because affected taxpayers could transfer assets to a donor-advised fund in 2025, achieve optimal tax results, and then thoughtfully recommend grants to favorite charities from the donor-advised fund in 2026 and beyond.

So what now? Should you still recommend that your clients establish and use donor-advised funds at the Chester County Community Foundation to organize their charitable giving?

Absolutely yes! Donor-advised funds remain a [highly relevant](#) and strategic tool for your clients. The IRS's new deductibility limits may reduce the marginal tax benefit of giving for some of your clients, but nothing has changed about the donor-advised fund's broader planning advantages for all of your charitable clients. Here's why:

- Fundamentally, regardless of tax benefits, your clients' charitable intent is driven by values, legacy, and a desire for community impact. (No one gives away a dollar to save 35 cents!) That's why you want to offer your clients the most effective charitable planning vehicles available to achieve charitable goals. A donor-advised fund at the Community Foundation often plays a crucial role in a client's overall philanthropy structure. Here's why:
- A donor-advised fund still allows clients to separate the timing of their charitable deduction from the timing of their actual grants to favorite charities, thereby preserving flexibility in years when income is unusually high or coming in handy when planning around liquidity events, even if the deduction is partially constrained under new laws.
- Chester County Community Foundation donor-advised funds, in particular, provide benefits that extend well beyond the tax code. That's because of our team's local expertise, deep knowledge of regional nonprofits, and ability to help your clients align their giving with real community needs.
- When you work with the Community Foundation, you can confidently recommend a donor-advised fund because you know the client will receive administrative simplicity, top-notch service, and plenty of opportunities for deep community connections and multigenerational philanthropy.

In short, donor-advised funds at the Community Foundation support your clients' [holistic](#) wealth and legacy planning goals. The Chester County Community Foundation makes it easy for you, as the advisor, to integrate a donor-advised fund into a client's estate plan, use a donor-advised fund to smooth charitable giving over time as a client's income ebbs and flows, and lean on the donor-advised fund as a platform for strategic philanthropy that can evolve alongside a client's unique life and financial circumstances.

For more information, contact the Chester County Community Foundation:

Jason Arbacheski, CAP – Gift Planning & Stewardship Director – jason@chescofc.org

Karen Simmons – President/CEO – karen@chescofc.org

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.