



Knights of Columbus Charitable Fund

Inspiring Catholics, Empowering Catholic Organizations

5 Strategies for Tax Saving through Charitable Giving

This year, we would all do well to make sure we're taking advantage of the tax saving opportunities available to us. And while doing so, why not give to your favorite charities? Here are five helpful strategies for tax saving through charitable giving:

1. Think beyond cash donations:

Instead of writing checks, open an account with Knights of Columbus Charitable Fund (KCCF) to donate long-term appreciated securities, like stocks, mutual funds, and bonds. Capital gains taxes are eliminated when you contribute long-term appreciated assets directly to a charity, such as KCCF, instead of selling the assets and donating the after-tax proceeds. This leads to a significant potential increase for both your charitable contribution and your potential tax deduction.

2. Create a larger current year deduction by combining cash and securities.

While donating appreciated securities typically eliminates long-term capital gains exposure, for eligible taxpayers who are limited to 30% of their adjusted gross income for deducting contributions of long-term appreciated securities. This is sufficient for most people, but there are some years when eligible taxpayers might benefit from a larger current year deduction. In those select situations, eligible taxpayers may choose to supplement a charitable gift of securities with a charitable contribution of cash.

3. Make a charitable gift to offset capital gains through portfolio rebalancing.



Many investors perform routine portfolio rebalancing to ensure that their investment mix is consistent with their goals. Often this involves selling investments that have done well, which generates capital gains taxes. One potential offsetting measure is aligning your charitable giving with the rebalancing process. Instead of writing a check to a favorite charity this year, consider donating a highly appreciated security that has been held for over a year. Capital gains taxes may not apply to you as a donor, or to the charity receiving the donation – a solution providing a greater impact with potential lower tax obligations.



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4. Combine multi-year deductions into one year.

Many taxpayers don't qualify for the necessary deductions to surpass the Internal Revenue Service's (IRS) standard deduction threshold. However, taxpayers may still receive a tax benefit by "bunching" together multiple years' worth of charitable giving in one year to surpass the itemization threshold. In off-years, taxpayers may still take the standard deduction allowing greater impact and tax savings at the same level of giving.



5. Consider a donor-advised fund for charitable giving.

Whatever assets you choose to give, considering a donor-advised fund may be a wise choice. It's a simple, and potentially tax-effective way to dedicate money to charitable giving: a taxpayer may make a donation of cash or other assets, potentially become eligible to take a tax deduction for the charitable gift, then recommend which qualified charities to support. The timing is flexible, as are the number of charitable causes that can be supported. A donor-advised fund with Knights of Columbus Charitable Fund offers another bonus: the opportunity to recommend how your contribution is invested for potential tax-free growth, possibly providing additional charitable support in the long run.

► Get in Touch With Us

Our team of expert advisors shares your Catholic values and understands that every family's situation is unique. We can get you answers to your questions regarding Knights of Columbus Charitable Fund, or walk you through getting started with a donor-advised fund account. Visit knightscharitable.org or reach us at (833) 877-0728 today.

Support your favorite charitable causes over time while potentially reducing your tax liability, ensuring your legacy and supporting the ideals of your Catholic faith!

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Knights of Columbus Charitable Fund is an independent, nonprofit, public charity with a donor-advised fund program. Various entities affiliated with Knights of Columbus provide certain investment management and administrative services to Knights of Columbus Charitable Fund. Knights of Columbus Asset Advisors, an SEC registered investment advisor, serves as the investment manager of Knights of Columbus Charitable Fund, and the assets can be invested in investment funds managed by Knights of Columbus Asset Advisors ("KoCAA"). For information about KoCAA's business operations, please consult the Firm's Form ADV disclosure documents, the most recent versions of which are available on the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov.

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