THE SMART GIVING PLAYBOOK

Save More & Do More Charitable Giving Guide

assembly

You're the Kind of Giver Who Wants to Make It Count.

You care about the impact your giving makes—and you're taking steps to be thoughtful and strategic. That alone puts you ahead of the curve.

Inside this guide, you'll find seven giving strategies that can help you:

- Support the causes you care about
- Reduce your tax burden
- And feel confident that your generosity is doing the most good

Every situation is unique, which is why this guide is just the beginning. If any of these strategies spark questions or ideas, we're here to help.

Let's work together to create a plan that aligns your values, your assets, and your long-term goals.

1. Make a Qualified Charitable Distribution (QCD)

For individuals 70½ years or older, a Qualified Charitable Distribution (QCD) allows you to transfer up to funds directly from your IRA to a qualified charity without having to include the distribution in your taxable income. For tax year 2025, this limit is $108,000 per person. This can help reduce your taxable income and satisfy your Required Minimum Distribution (RMD). QCDs are especially valuable for those who do not itemize deductions, as the distribution is excluded from taxable income, lowering your overall tax liability.

Potential Considerations:

- **Age Requirement:** You must be at least 70½ years old to make a QCD from your IRA. If you're younger, you won't be eligible for this tax benefit.
- **Contribution Limits:** The IRS limits QCDs to $108,000 per year per individual in 2025. If you give more than this amount, you cannot claim the tax benefits of the excess.
- **RMD Requirement:** The QCD can count toward your Required Minimum Distribution (RMD), but if you do not have an RMD in the year, the QCD may not be applicable, but still a good way to reduce your IRA balance and potential future RMD amounts. Also, remember that you must direct the IRA distribution to a qualified charity directly (not to you first).

2. Open a Donor-Advised Fund (DAF)

A Donor-Advised Fund (DAF) is a flexible giving vehicle where you contribute assets (such as cash, stocks, or other investments) to an account managed by a sponsoring organization. Many allow you to have investment accounts where you control the investments. You receive an immediate charitable tax deduction for the contribution and can recommend grants to your chosen charities over time. This allows you to maximize your charitable giving while also managing your tax impact and supporting causes over multiple years. DAFs are also useful for individuals who want to separate the decision-making process of giving from the timing of tax deductions.

Potential Considerations:

- **Donations Are Final:** Once you donate to a DAF, the contribution is irrevocable. You cannot get the money back, but you can direct the DAF to write grants to your charities of choice.
- **Management Fees:** Some DAFs charge administrative fees or investment management fees, which could reduce the value of your donation over time.
- **Minimum Contribution Amounts:** Some DAF providers require a minimum initial contribution or minimum grants, so check the terms before establishing an account.

3. Donate Appreciated Assets

Donating appreciated assets, such as stocks, mutual funds, or real estate, offers significant tax advantages. When you donate appreciated property that has increased in value, you avoid paying capital gains tax on the increase in value. You can also deduct the fair market value of the asset at the time of the donation. The IRS allows you to deduct the full value of appreciated assets, as long as you've held the asset for over a year. This strategy is especially beneficial for individuals who hold investments with large capital gains.

Potential Considerations:

- **Holding Period:** To deduct up to the fair market value, the appreciated asset must be held for more than one year. If appreciated asset was donated within a year of purchase, it will only be deductible up to the price you paid.
- **Appreciation Limitations:** Generally, you can deduct 30% of your adjusted gross income (AGI) for donations of appreciated assets. Donations exceeding that amount can be carried forward to be used on future tax returns until depleted for up to five years.
- **Qualified Assets:** Make sure the asset is eligible for a charitable deduction. Some assets, such as certain types of real estate, may be subject to additional scrutiny or restrictions.

4. Bunch Your Donations

Bunching involves grouping multiple years of charitable contributions into a single year to exceed the standard deduction threshold and maximize itemized deductions. For example, instead of donating a small amount each year, you may donate several years' worth of contributions in one year, helping you reach the higher threshold for itemizing deductions. This approach works especially well for taxpayers who are close to the standard deduction threshold and can benefit from more significant tax savings in certain years. This strategy may be effective to offset income in high-earning years.

Potential Considerations:

- **Standard Deduction Threshold:** You need to ensure that by bunching, you're surpassing the standard deduction for the year in which you make the large donation. If you do not itemize your deductions, this strategy won't be beneficial.
- **Cash Flow Considerations:** Bunching means making large donations in one year, so you need to ensure you have the financial capacity to do so.
- **Limitations:** Keep in mind that the IRS limits charitable deductions to 60% of your AGI for cash donations, and 30% for appreciated assets. Any contributions above those limits can be carried forward for up to five years.

5. Plan for Legacy Giving

Legacy giving allows you to leave a lasting impact on charities after your lifetime, often through thoughtful beneficiary designation, bequests, charitable trusts, or life insurance policies. These gifts can help reduce estate taxes while supporting the charitable causes that matter most to you. For instance, charitable remainder trusts (CRTs) provide you with income during your lifetime, and the remainder of the trust benefits a charity after your passing. Additionally, gifts made to charity at death may reduce the size of your estate and lower estate tax liability. Planning for legacy giving ensures your philanthropic goals continue even after you're gone.

Potential Considerations:

- **Estate Planning:** Legacy gifts often require careful planning, especially if they involve bequests, charitable remainder trusts, or other complex structures. Work closely with an estate planner to ensure that your wishes are carried out efficiently.
- **Potential Estate Taxes:** While charitable contributions can reduce your estate taxes, other factors such as the size of your estate, type of assets, and overall estate planning strategy will impact the tax benefits of legacy gifts.
- **Complexity of Charitable Trusts:** Some legacy giving vehicles, such as charitable remainder trusts (CRTs) or charitable lead trusts (CLTs), can be complex and may involve administrative costs and legal fees. Be sure to understand the intricacies of these options before proceeding.

6. Deduct Volunteer Expenses

Although you cannot deduct the value of your time spent volunteering, you can deduct out-of-pocket expenses incurred while volunteering for a qualified charitable organization. These expenses may include mileage, transportation, supplies, and even certain meals and lodging. It's essential to keep detailed records, such as receipts and mileage logs, to substantiate your expenses. This strategy allows you to reduce your tax burden while supporting causes you care about.

Potential Considerations:

- **Qualified Expenses Only:** The IRS only allows deductions for out-of-pocket costs directly associated with your volunteer work, such as mileage, supplies, and other expenses like parking fees or tolls. You cannot deduct the value of your time or personal expenses.
- **Record Keeping:** Keep detailed records and receipts for all expenses, including mileage logs and receipts for supplies, to substantiate your deductions in case of an audit.
- **Charitable Organization Requirements:** The charity must be a qualified organization under IRS guidelines. Make sure that your volunteer work is with an organization that is recognized by the IRS as a 501(c)(3) public charity.

7. Use Employer Matching Gifts

Employer matching gift programs are a great way to maximize your charitable contributions. Many employers will match the donations you make to eligible charities, sometimes dollar-for-dollar or more. This effectively doubles or even triples your impact, and in many cases, the employer will issue a tax receipt for the match. Be sure to inquire with your employer about their matching gift policies, as this is an often-overlooked strategy for increasing your charitable giving.

Potential Considerations:

- **Eligibility of Charities:** Not all charities may be eligible for employer matching programs. You should confirm that the organization you want to donate to qualifies under your employer's matching gift policy.
- **Matching Limits:** Some employers have limits on the amount they will match, and others may require you to make a minimum donation for them to match. Review the matching gift guidelines to ensure you maximize the benefit.
- **Deadline Awareness:** Some employers may have deadlines or windows for matching gifts, especially near the end of the fiscal year. Ensure you submit your matching gift request on time.

Let's Talk About Your Giving Strategy

We're here to make giving smarter, easier, and more aligned with what matters most to you.

Here's how we'll work together:

Step 1: Let's Have a Confidential Conversation

If you're ready to create a giving strategy, click the button below. You'll see a calendar where you can pick a time that works for you. This is a no-pressure, confidential conversation focused on your goals.

Step 2: Build Your Giving Strategy

We'll help you identify the smartest ways to give—aligned with your values, financial situation, and tax considerations.

Step 3. Give with Confidence

Feel good knowing your generosity is doing more—supporting causes you care about and maximizing your impact.

I'M READY TO PLAN MY GIVING

About Assembly Wealth

At Assembly Wealth, our mission is to transform your financial planning journey into a personalized roadmap to a fulfilling and meaningful life. Our approach to wealth planning goes far beyond just numbers, it's about:

Community Engagement - We believe prosperity extends beyond individual wealth. That's why we actively participate in our local community, supporting causes that matter. We're more than financial advisors; we're your neighbors, friends, and community members.

Our Commitment to You - Our commitment to your financial well-being is unwavering. We understand that your life is unique, and so are your goals, dreams, and passions. That's why we take the time to listen, learn, and truly understand you. We're committed to aligning your wealth with your reality, helping you achieve financial security while fostering personal growth and making a positive impact on the world around you.

Holistic Approach - We don't view Wealth of Life planning in isolation; instead, we adopt a holistic approach. Your financial well-being is interconnected with various aspects of your life, from your career and health to relationships and personal development. Our approach addresses all these facets, ensuring a well-rounded, fulfilling life.

Expertise and Experience - Our team of experienced professionals brings a wealth of knowledge to the table. With years of expertise in financial planning, investment strategy, and wealth management, we provide you with the insights and guidance you need to make informed decisions.

Personalized Strategies - We recognize that there's no one-size-fits-all solution in wealth planning. That's why we tailor our strategies to your unique situation and goals. Your financial plan is not just a document; it's your personalized roadmap to a brighter, more prosperous future.

Your Success is Our Success - At Assembly Wealth, we measure our success by yours. Your financial journey is a partnership, and we're with you every step of the way. We celebrate your victories, support you through challenges, and adapt your plan to changing circumstances. Your success is our ultimate reward.

We invite you to embark on a transformative journey toward financial empowerment and personal fulfillment. **Contact us today**, and let's begin crafting your Wealth of Life plan. Together, we'll transform your dreams into reality.

IRS Reference: IRS Publication 526, Charitable Contributions
IRS Reference: IRS Publication 501, Dependents, Standard Deduction, and Filing Information
IRS Reference: IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs)

assembly

hello@letsassemble.com

415-541-7774

www.letsassemble.com

AssemblyWealth

@assemblywealth

LET'S ASSEMBLE!