

November 30, 2017

## Creating Impact with Your Year-End Charitable Giving

With the end of the year right around the corner and potential tax changes looming, now is the time to focus on your charitable giving. You want your donations to make a positive impact, to make a difference in whatever area you choose to support. Here are some considerations that might help you sort your priorities and develop a plan:

- Give some thought to what you really care about. Is it education, the environment or disaster relief? Is it children, immigrants or elders?
- Identify some organizations doing good work in your areas of interest. Which are operating most effectively, working collaboratively, closely tracking their own progress?
- Look into how your gift can be strategic. Can it help the organization move its work to the next level? Can it support an expansion of the work or a new collaboration? Can it provide the resources needed to build important organizational infrastructure?
- Learn how you will track the progress made by your chosen organization. Are there reports, presentations, volunteer opportunities or site visits that may help with this?

What area or cause to fund is one part of the challenge. How to give is the other part. Being thoughtful about the structure of your gift and its tax consequences will maximize your charitable dollar.

One efficient and effective vehicle for giving is the donor-advised fund. A donor-advised fund account (DAF) is a charitable account to which you can make contributions now, receive a current tax deduction and exercise advisory privileges regarding which organizations ultimately benefit from its distributions. In this way, DAFs are similar to family foundations. DAFs can also be a good tool for involving your children in your family's philanthropy.

Consider these advantages of DAFs:

- You may make a gift to the DAF now, and delay the decision on how to allocate that gift to the ultimate charitable beneficiaries.
- You may receive an immediate tax deduction for your contributions.
- The assets in your DAF may be invested for future growth and giving.
- Distributions from your DAF may be made in your name or anonymously.
- You may designate your children (or others) to recommend charities if something happens to you.

DAFs are simple. Typically, they do not have any start-up costs, and all administrative tasks are handled by the DAF sponsor.

Ropes & Gray can help you create impact with your charitable dollars. Our comprehensive services include philanthropic advising, gift structuring and tax advice. Please contact the [Charitable Foundations Group](#) with any questions you may have.

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