



National
Philanthropic
Trust

Your partner in giving

Essentials of Year-End Giving

IN THE FINAL MONTHS OF THE YEAR, we find ourselves looking back—and planning for the year to come.

This practice is particularly useful for those who conduct their charitable giving at the year's end—even in a year as unprecedented as this one. In 2020, challenges posed by COVID-19 and struggles for racial justice motivated donors to give to causes they care about in record numbers. Many of these donors were able to respond quickly to the crisis at hand by making use of their donor-advised funds (DAFs)—charitable vehicles that not only offer the most advantageous tax benefits, but also allow donors to set themselves up to be able to give at the moment when it's most needed.

Savvy philanthropists are thoughtful about where, how and what they give, to maximize both their charitable impact and their tax savings. Though donors' philanthropic missions are unique and personal, using a DAF can help them manage their choices.

At National Philanthropic Trust (NPT), our mission is to increase philanthropy in society. Our donors are a generous and inspired community of givers. We hope the strategies we outline for using an NPT DAF will enrich your year-end giving.

Grant Thoughtfully

In the first four months of the pandemic, NPT donors gave in record-breaking numbers, with a 49.7% increase in grant volume and an 85.8% increase in grant dollars over the same time period the prior year. To help you participate in this swell of generosity, below are some of the tips we suggest in planning your giving for year-end and beyond.

THINK GLOBALLY.

The impact of COVID-19 is felt around the world, and people are reaching across borders with assistance and aid. You can use your NPT DAF to recommend grants directly to non-U.S. charities. Our Grants team performs special due diligence to ensure that the grantee is charitable in nature.

ACT LOCALLY.

You can make a difference in your own neighborhood by giving to a local food bank, homeless shelter or wellness clinic. Your regional community foundation has a unique understanding of where and how your support can best be deployed—which may include direct relief for individuals affected by the crisis.

GIVE WITHOUT RESTRICTION.

Most NPT DAF grants are “unrestricted,” meaning the gift may be used at the charity’s discretion. This kind of flexible support is crucial as nonprofits shift their priorities to address the immediate and long-term effects of the crisis. Consider making unrestricted grants to the charities you support by marking the grant purpose as “Unrestricted” on your grant recommendation form.

SET YOURSELF UP FOR FUTURE GIVING.

The practice of “bundling,” or making a contribution to a DAF large enough to cover future years’ worth of giving, offers donors the chance to safeguard future charitable plans and can help them reach eligibility for a more advantageous itemized tax deduction. Windfall occasions, such as years when the donor has received a large bonus or other unusual income, are particularly good times to consider bundling.

Practice Family Philanthropy

Though travel restrictions may limit family gatherings during the holiday season, one thing families can always do together is give. Family philanthropy can be rewarding—but can also be challenging without a framework. Here are some tips to make giving a family affair:

- **Encourage early participation.** It’s never too early to teach children about giving, whether through a “charitable allowance” for grade-schoolers or Junior Board positions for young adults. Talk to your children about the importance of giving.
- **Acknowledge generational differences.** While Baby Boomers tend to be loyal to a single organization in their giving, Millennials and Gen-Z are more swayed by impact metrics, shifting their giving among organizations working for the same cause. Discuss your motivations for giving to find common ground.
- **Determine your budget and structure.** Your family may wish to vote on grantees and give collectively, or to give each family member discretion over a portion of your overall budget. Figure out what works best for you. Your NPT DAF is set up to accommodate the structure that works best; younger family members can be named as secondary advisors who may recommend grants now, or individual successors who will inherit advisory privileges on the DAF later.



Contribute Complex Assets

NPT's approach to charitable giving helps donors think beyond their checkbooks. We collaborate with our donors to explore the possibility of gifting assets of all types—which can be a tax-efficient alternative to giving cash. In addition to contributions of appreciated securities, we can accept:

- Closely held business interests
- Restricted and control securities
- Alternative investments like hedge funds and private equity funds

TIP: If you have an asset with an established or unknown cost basis held for longer than one year, consider contributing it to a DAF; you may be eligible to claim a fair market value deduction without having to pay capital gains tax.



Understand the Cares Act

On March 27 of this year, Congress passed the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). Here's what it means for donors giving in calendar year 2020:

- Donors who take the standard deduction can deduct an extra \$300 in cash contributions to qualified charities.
- Limitations on cash donation deductions to qualified charities have been raised from 50% or 60% adjusted gross income (AGI) to 100% AGI.
- DAFs do not count as "qualified charities" for this expanded deduction cap. However, a donor may still be able to reach these limits by "stacking" their giving – deducting 60% of their AGI in cash contributions to a DAF but also making additional direct contributions to qualifying charities, up to the 100% limit.

Stay on Top of Deadlines

It's always best to start your year-end giving as soon as possible. Please use these guidelines to time your giving carefully, and help ensure that NPT receives your contributions during the 2020 tax year:

Credit Card	Submit by 11:59 p.m. ET on December 31
Check/Cash	Postmark by December 31*
Wire	Initiate transfer by December 28; must be received by December 31
Stock/Bonds/ETFs	Initiate transfer by December 23; must be received by December 31
Mutual Funds	Initiate transfer by November 30; must be received by December 31
Securities, Real Estate and Closely Held Stock	Initiate due diligence ASAP ; must be received by December 31
Stock Certificates	Postmark by December 31*

** If using USPS. If using FedEx, UPS or any other non-USPS mail carrier, NPT must receive the contribution on or before December 31.*

Partner with NPT

Since our founding in 1996, we have become a nationally recognized leader in philanthropy by taking an innovative, collaborative approach to our work with individuals, families, trusts, businesses and nonprofit organizations. Heading into our 25th anniversary year, we are proud to draw on decades of experience to help donors develop a strategy that works best for their charitable aspirations.

We hope that this guide will prove helpful to you in planning your year-end giving. If you wish to learn more about giving strategies, trends in philanthropy, or general tips for using a donor-advised fund, please visit our website, nptrust.org. There, you'll find a wealth of resources to help you find your place in the philanthropic landscape.

If you have any questions, contact us anytime at npt@nptrust.org or (888) 878-7900.