



2020 Quickly Comes to a Close: A Guide to Year-End Giving

By Ellen McGuinn, Chief Financial Officer

As 2020 comes to an end, many families are [reflecting on their giving strategies](#). Whether making a contribution to their donor-advised funds (DAFs) or recommending a grant to their favorite nonprofits, it is important to keep year-end deadlines in mind.

It is a time-sensitive period; meeting a deadline can be the deciding factor in whether or not a donor gets to be on their favorite charity's 2020 donor list. It can also mean the difference between being eligible to claim a tax deduction for 2020 or having to save their gift receipts for 2021 tax returns. Many nonprofit organizations can use stable funding in a destabilizing year, so these deadlines are more critical than ever. What's more, asset types with varying levels of complexity may take a longer time to process before they can be counted as tax-deductible contributions.

However, donors can still act before January to make a difference—and to receive the greatest possible tax advantages. In a year of so much need, here is how donors can make the most of the last month of 2020.

Give Early

Contributions of any type must be received by NPT by December 31 to be counted as a contribution in 2020. Donors should plan their timing by noting the time it will take for various assets—from securities to mutual funds—to transfer. For complex assets, it's best to start initiating the transfer as early as possible; and for contributions that will be mailed, like checks or stock certificates, it's important to make sure the contribution is postmarked by December 31. Ultimately, if a donor finds themselves short on time, they can choose to contribute to their DAF [online with a credit card](#)—up to 11:59pm EST on December 31.

Leave Time For Review

While the timing of a DAF grant doesn't affect the donor's tax return, it does affect how the recipient nonprofit may credit the donor for their gift. Many nonprofits have year-end fundraising campaigns that finish on December 31; if a grant is not received before that date, the donor may not be included in the final tallies. To ensure that their grants go through on time, donors should remember that each grant from an NPT DAF goes through a [review process](#), and leave an appropriate buffer of time for our team to complete their due diligence. One helpful planning tip is that marking a grant as unrestricted will expedite the review process—and better still, it's what many nonprofits are reporting they [need most right now](#).

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Read Up On Charitable Strategy

Using a DAF can help donors streamline their giving, and NPT is committed to making giving as easy as possible. [Giving Season Central](#), a hub for information focused on year-end giving, was designed as a quick-reference guide to the season, so donors and advisors won't miss critical deadlines. Additionally, the page offers resources on developing a charitable plan, and speaks to the benefits of donor-advised funds when looking to maximize giving

We are here to help donors get their giving in order before the end of 2020. Our Donor Relations team has extended its hours to ensure we're on call to help you navigate through the necessary steps for year-end contributions and grantmaking, and to answer any questions you might have about strategy.

National Philanthropic Trust is here to facilitate your charitable giving. For further assistance, please call us at (888) 878-7900 or email npt@nptrust.org.

Ellen McGuinn is NPT's Chief Financial Officer and Assistant Treasurer. Ms. McGuinn joined NPT in November 2016. She has more than 25 years of experience in finance and accounting, including 12 years in the nonprofit sector.

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