You can use a donor-advised fund to bunch multiple years' worth of donations in a single year to receive maximum tax benefits for your charitable contributions.

Gifts to donor-advised funds are tax deductible, so you can combine two or three years of charitable contributions in one calendar year in order to exceed the standard deduction in that year. You can then use the assets in the donor-advised fund to consistently support your favorite charities, even in years when you take the standard deduction. Assets in your donor-advised fund are invested according to your preferences, so your charitable dollars can grow tax-free.

The following scenario shows how a married couple, filing jointly, who typically gives $5,000 a year to charity can benefit from bunching their charitable contributions into a $15,000 donation every three years. In this example, the donors itemize in years one and four and take the standard deduction in years two, three, five and six, giving them an additional $18,000 in tax deductions over six years.

We do not provide tax, legal or accounting advice. This is for informational purposes only.