

Optimizing Tax Outcomes Through Donations of Private & Illiquid Assets



ABOUT

PHOENIX HAFEN

Partnerships Manager





AGENDA

01

**Who is
UI Charitable**

02

**Charitable
Vehicles**

03

**Charitable
Bunching**

04

**Private & Illiquid
Asset Donations**



01

WHO IS UI CHARITABLE?

Advisor-Focused · Flexible · Deliberate Impact



**OUR MISSION: ELEVATE AND ACCELERATE
THE IMPACT OF PHILANTHROPY**



HOW DID WE GET HERE?

01

Founded in 2018

University Impact was founded with the goal of raising a \$10M impact investing fund designed to give students hands-on experience sourcing and diligencing impact investments.

02

Shift to DAFs

Working with donors revealed a gap: traditional giving lacked flexibility, leading us to focus on DAFs.

03

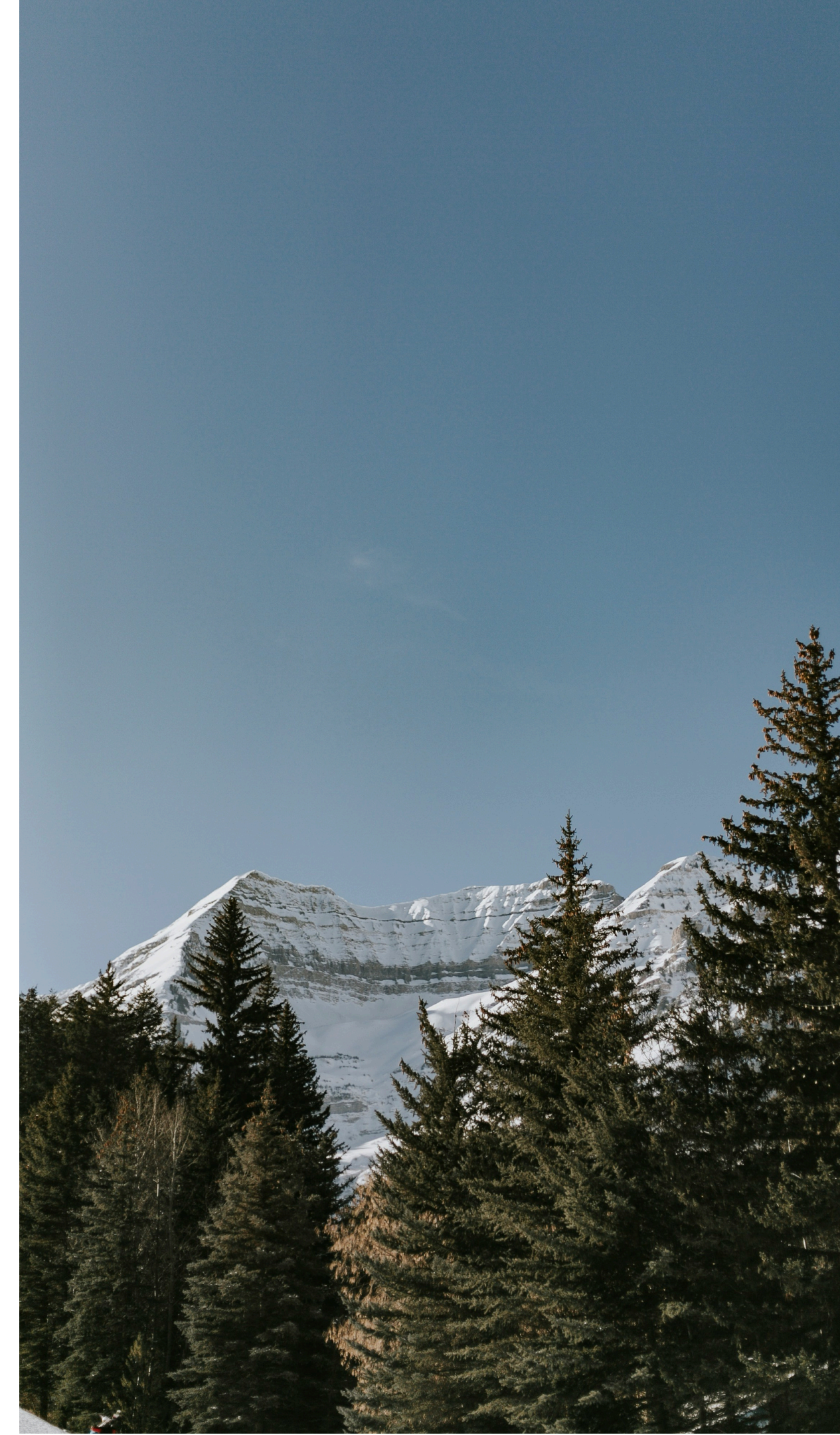
Focus on Flexibility

We reimaged DAFs to give donors more investment flexibility and fewer constraints on how capital can be deployed.

04

Today: Philanthropic Backoffice

Today, UI Charitable operates as a full-service philanthropic back office for advisors and their clients. We have raised over \$750M in charitable capital and deployed \$250M.





02

CHARITABLE VEHICLES

Choosing the right giving vehicle for your clients' charitable goals.



CHARITABLE ECOSYSTEM

PRIVATE GRANTING
FOUNDATION

PRIVATE OPERATING
FOUNDATION

PUBLIC
CHARITY

DONOR-ADVISED
FUND

FISCAL
SPONSORSHIP

GENERAL FIELD OF
INTEREST FUND

COMMUNITY
FUND

IMPACT
INVESTING

SUPPORTING
ORGANIZATION

CHARITABLE ECOSYSTEM

**DONOR-ADVISED
FUND**

**FISCAL
SPONSORSHIP**

**GENERAL FIELD OF
INTEREST FUND**

FISCAL SPONSORSHIP

- Partnership between a nonprofit and a separate program with a charitable purpose
- Nonprofit extends its tax-exempt status to the program
- The program is able to raise tax deductible donations and execute on its charitable mission

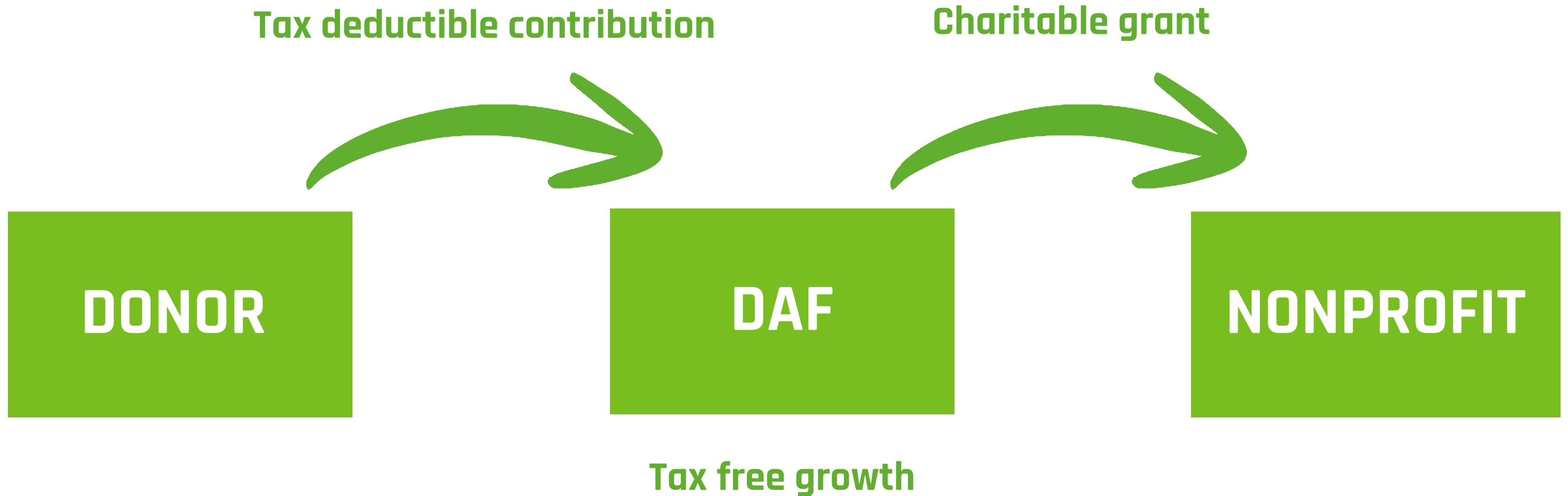


GENERAL FIELD OF INTEREST FUND

- Fund that allows many donors to support a broad issue area without pre-selecting specific organizations to support
- Granting decisions are led by appointed panel of experts



DONOR-ADVISED FUND (DAF)



INDUSTRY TRENDS

3.59M

DAF Accounts

\$327.9B

Total AUM

\$90.6B

Contributions
In 2024

25.2%

Annual Payout
Rate

DONOR-ADVISED FUND (DAF) SPONSORS

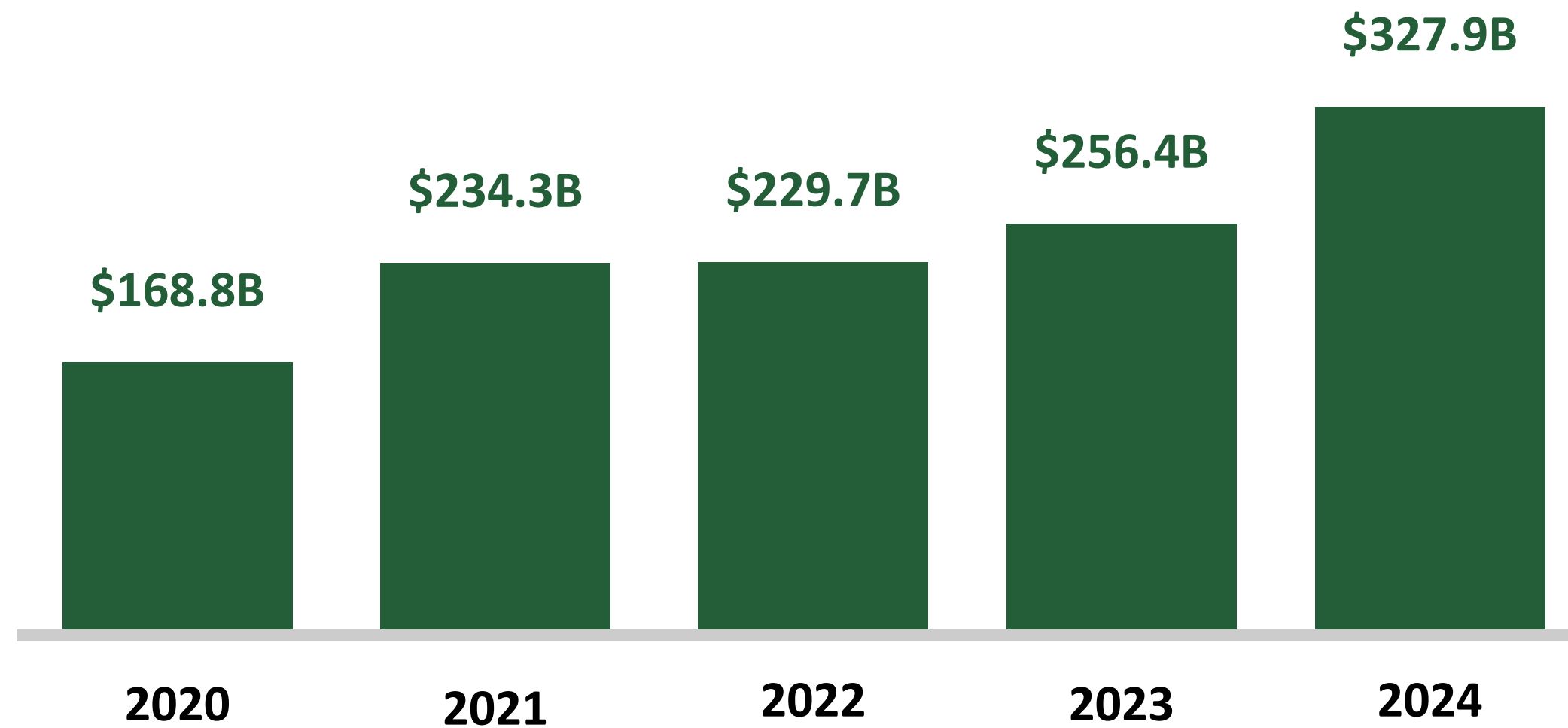
When evaluating a DAF Sponsor:

- What kinds of assets can the Donor-Advised Funds accept?
- How can assets be held/custodied?
- Are there restrictions around grant recipients?
- Does the sponsor have a geographic/religious focus?
- What are the fees?



GROWTH TRENDS (2020 → 2024)

TOTAL ASSETS IN DAFs (\$ Billions)



DAF VS. PRIVATE FOUNDATION

Choosing the right philanthropic vehicle for your client

CATEGORY	DONOR-ADVISED FUND	PRIVATE FOUNDATION
Setup & Cost	Simple online setup. No legal fees or formation costs.	Attorney required. Formation costs \$5K–\$50K+.
Admin Burden	Sponsor handles all compliance and reporting to the IRS.	Board required. IRS Form 990-PF. Full legal compliance.
Tax Deduction	Up to 60% of AGI for cash; 30% for appreciated assets.	Up to 30% of AGI for cash; 20% for appreciated assets.
Privacy	Grants can be made anonymously. No public disclosure required.	Public record. Form 990-PF is publicly available.

DAF VS. PRIVATE FOUNDATION

Choosing the right philanthropic vehicle for your client

CATEGORY	DONOR-ADVISED FUND	PRIVATE FOUNDATION
Control	Donor advises, but sponsor has legal control. Grants are executed if in line with IRS guidelines	Donor has full legal control over assets and grantmaking.
Grantmaking	Any IRS-qualified nonprofit. No minimum annual payout.	Must distribute 5% of assets annually (IRS requirement).



03

CHARITABLE BUNCHING

Unlock additional strategies within a DAF





HOW IT WORKS

01

COMBINE DONATIONS

Consolidate multiple years of planned giving into one large contribution to your clients' Donor-Advised Fund.

02

CAPTURE A LARGER DEDUCTION

Use the single large contribution to exceed the standard deduction threshold and maximize your clients' itemized deductions for that tax year and taking standard deductions in following years.

03

GIVE OVER TIME

Continue supporting charities and causes your clients' care about from the Donor-Advised Fund in future years on your own timeline.



BENEFITS & TECHNICAL CONSIDERATIONS

MAXIMIZE ITEMIZED DEDUCTIONS

Bunching pushes total giving above the standard deduction threshold (\$30,000 MFJ in 2025), unlocking the full value of itemized deductions in a single year.

REDUCE TAXABLE INCOME

A large deduction in Year 1 can meaningfully lower a client's adjusted gross income, potentially reducing their marginal tax rate for that year.

MAINTAIN CONSISTENT GIVING

The DAF acts as a philanthropic giving account. Clients contribute in bulk, then grant to charities at their own pace. Giving patterns don't have to change.



CHARITABLE BUNCHING

SCENARIO: A married couple donates \$12,000/year to charity. They also have \$12,000 in SALT and \$8,000 in mortgage interest. Standard deduction: \$31,500 (MFJ 2025).

WITHOUT CHARITABLE BUNCHING

YEARS 1-5 – Standard Deduction

Donations (annual)	\$12,000
State & Local Taxes	+ \$12,000
Mortgage Interest	+ \$8,000
Total Itemized Deduction	= \$32,000
Standard Deduction	– \$31,500
Additional Deduction	= \$500

Total donations: \$60,0000 Total tax deduction: \$160,000

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WITH CHARITABLE BUNCHING

YEAR 1 – Bunched Contribution

Donations (5 years bundled)	\$60,000
State & Local Taxes	+ \$12,000
Mortgage Interest	+\$8,000
Total Itemized Deduction	= \$80,000
Standard Deduction	– \$31,500
Additional Deduction	= \$48,500

YEARS 2-5 – Standard Deduction

Standard Deduction (×4)	\$31,500
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Total donations 5 yrs: \$60,000 · Total tax deduction: \$206,000

CHARITABLE BUNCHING

WITHOUT CHARITABLE BUNCHING

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04

DONATING COMPLEX ASSETS

Non-cash · Non-public · High-impact



WHAT IS A COMPLEX ASSET?

- Any non-cash, non-publicly-traded holding that requires special handling to accept, value, and liquidate.
- Often the largest positions in a high-net-worth client's portfolio and carry the largest embedded capital gains.
- Large potential for tax optimizations.

**PRIVATE
BUSINESS
INTERESTS**

**PRIVATE EQUITY
& VC FUND
INTERESTS**

REAL ESTATE

CRYPTOCURRENCY

**RESTRICTED &
PRE-IPO STOCK**

**OTHER ILLIQUID
ASSETS**

PRIVATE & ILLIQUID ASSET DONATIONS

FMV Tax Deduction

Donor receives a deduction at the asset's full fair market value — not cost basis. Assets donated to private foundations are evaluated on cost basis.

No Capital Gains Tax

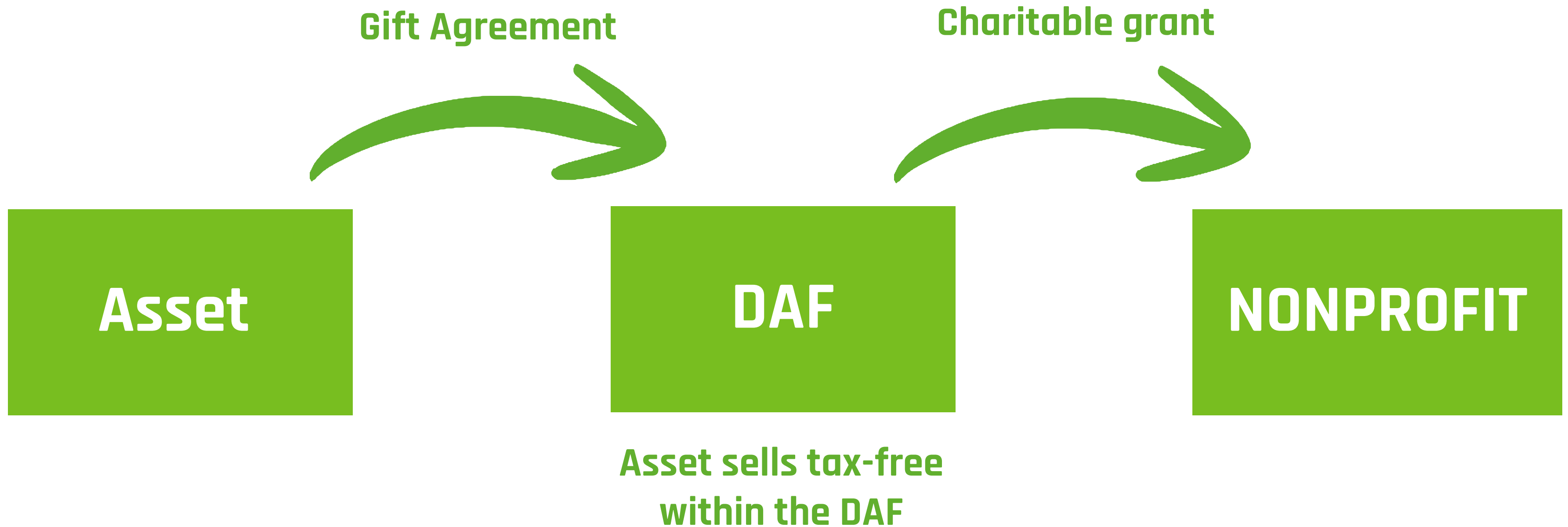
Donating before the sale eliminates capital gains taxes on the donated portion entirely.

More for Charity

Liquidating non-cash assets through the Donor-Advised Fund increases funds available for charitable giving. Assets sold tax free within the Donor-Advised Fund.



COMPLEX ASSET DONATION PROCESS



NOTE: A third-party appraiser must determine the asset's fair market value to determine the donor's deduction.

PRIVATE BUSINESS OWNER

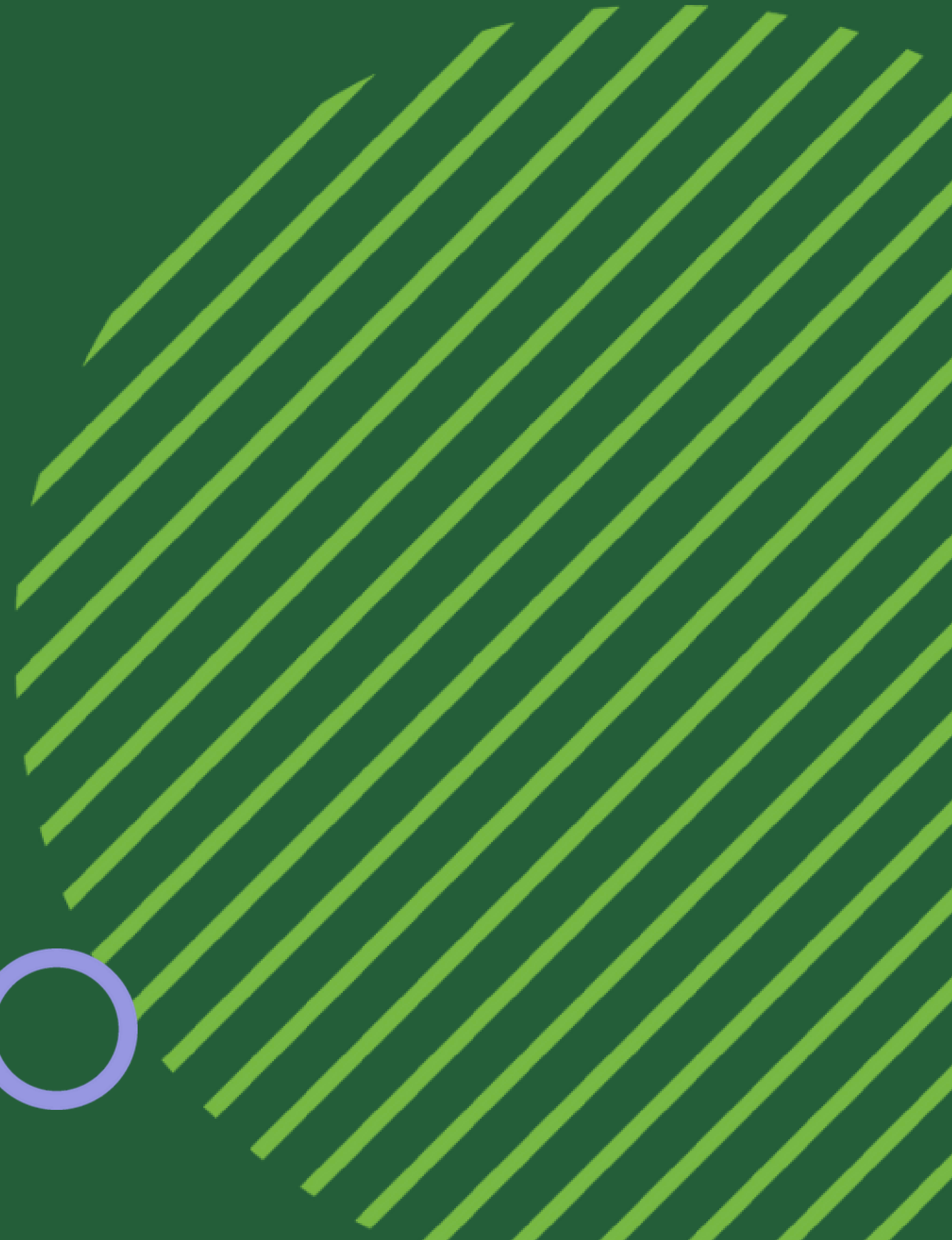
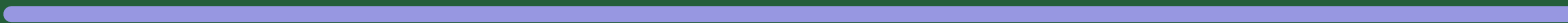
SCENARIO: Business owner holds \$10M in C-Corp shares (cost basis: \$100K). Sale upcoming. Charitably inclined, wants to give \$2M.

	Donation after the Sale	Donation Before the Sale
Donation Prior to Sale	\$0	\$2,000,000
Cost Basis	\$100,000	\$100,000
Taxable Amount	\$9,900,000	\$7,900,000
Taxes	\$2,673,000	\$2,133,000
After Tax Equity	\$7,327,000	\$5,867,000
Donation After Sale	\$2,000,000	\$0
Final Equity	\$5,327,000	\$5,867,000
Gift Tax Deduction	\$2,000,000	\$2,000,000
Income Tax Savings @ 44% TB	\$880,000	\$880,000
Final Equity + Tax Savings:	\$6,207,000	\$6,747,000

KEY OUTCOME: Eliminates \$540k in Capital Gains Taxes



QUESTIONS





THANK YOU

