
MAXIMIZING TAX SAVINGS WITH CASH DONATIONS

Maximizing Tax Savings Through Cash Donations

Cash gifts are the simplest charitable contributions — but to maximize the tax benefit, use the strategies below.

A. Itemize your deductions (if beneficial)

You only receive a tax deduction for cash donations if you itemize deductions instead of taking the standard deduction.

- This works best if you already have substantial deductions (mortgage interest, SALT up to \$10k, medical, etc.).
- Otherwise, consider “bunching” contributions (see below).

B. Use “Bunching” or Multi-Year Gift Planning

Because the standard deduction is high, many donors no longer itemize annually.

To overcome this:

Strategy:

- Combine several years of charitable contributions into one tax year, allowing you to exceed the standard deduction.
- In alternate years, take the standard deduction.

How it helps:

- Turns nondeductible giving into deductible giving.
- Often used with Donor-Advised Funds (DAFs).

Learn for Life Foundation (LFL) is a US registered 501 (c)3 public charity, which provides you the tax benefits of “bunching” or “multi-year gifting” with \$0 fees and matches your donation for our causes for less-privileged children’s education, to increase the impact.

C. Use Donor-Advised Funds (DAFs)

DAFs allow you to:

- Make a single large charitable contribution now & get the full deduction this year.
- Distribute the money to charities over time.

Tax advantages:

- You get an immediate deduction in the contribution year.
- You can contribute cash, stock, ETFs, mutual funds, or even crypto.
- The account can be invested and grow tax-free, increasing future charitable impact.

Learn for Life Foundation (LFL) provides you the tax benefits of a DAF, without the DAF annual admin fee (up to 1%) or DAF investment fee (up to 1%) and without the DAF transaction fee (up to \$5000) for donations made to international charities. The savings and LFL matching helps increase your donation’s impact dramatically.

✓ **D. Understand deduction limits for cash gifts**

Cash donation limits (to public charities):

- You can deduct up to 60% of your Adjusted Gross Income (AGI).
- Any excess can be carried forward for 5 years.

This allows large donors to make very sizable deductible gifts.

Learn for Life Foundation (LFL) is a US registered 501 (c)3 public charity

✓ **E. Use Qualified Charitable Distributions (QCDs) if over age 70½**

If you are age 70½ or older, you may donate up to \$111,000 per person per year (2026 limit adjusted annually) directly from an IRA to a charity.

Why QCDs are powerful:

- They satisfy all or part of your Required Minimum Distribution (RMD).
- Do NOT increase taxable income.
- Reduce AGI, which can lower:
 - Medicare IRMAA surcharges
 - Taxable Social Security
 - Phase-outs and stealth taxes

Cash donations cannot do this — only QCDs can.

Donations to Learn for Life Foundation (LFL), a US registered 501 (c)3 public charity, are Qualified Charitable Distributions under US IRS guidelines.

About Learn for Life Foundation and Sunbird Trust

Learn for Life Foundation (<https://learnforlifefoundation.org/>) was founded in 2011 as a US-registered 501(c)(3) public charity, that makes direct grants to non-profit education groups in developing countries, with special focus on India.

Sunbird Trust (<https://sunbirdtrust.com/>) is a non-religious and apolitical not for profit organization working in remote and conflict affected parts of North East India with the motto of Peace through Education. It facilitates physical and financial access to education through building schools and hostels and providing education sponsorships.

Donors can donate directly to the Sunbird Trust General Fund at Fidelity Investments in the US, which will be partially matched by Learn for Life Foundation, so your contribution will go further. There will be no deduction of any administrative or other expenses, so 100% of the funds go directly to benefit the less-privileged children in tribal and rural areas, compared to most other well-known non-profits like UNICEF who spend between 15-20% on overheads.



All funds go to partner institutions in India where 100% of the donation is spent on educational infrastructure or sponsoring underprivileged children. According to LFL's CPA all cash contributions are deductible up to 100% of Adjusted Gross Income.

Capital and Operating Expenses in 2026:

- Raising two schools (Capital Budget: USD 100,000 per school up to Class VII)
- Building five hostels (Capital Budget: USD 50,000 per hostel for 50 children)
- Sponsoring education of 5,000 school children (Operating Budget: USD 320,000 @ US\$64 per child per year)
- Sponsoring 500 children's boarding (USD \$ 160,000 @ US \$ 340 per child per year)
- Contributions or Commitments of \$50,000 or more include "Naming Rights" to schools, hostels or children's scholarships (e.g. Sunbird School/Hostel – Sponsored by Jane Doe Endowment)

Donations can be made to the Sunbird General Fund, or if you would like to get a larger tax deduction for 2026, you can request your own "Named Endowment" at Fidelity (e.g. John Smith LFL-Sunbird Endowment), which can be managed by you or your financial advisor, and make annual distributions to Sunbird from your endowment's dividends and investment returns.

Best Regards

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