

Unlocking the Wealth in S-Corp Donations

It is estimated that there are 4.5 million individual businesses that are structured as S-corps, with an estimated value of nearly \$3 trillion in assets. However, due to the nature of the S-corp structure, the value of these assets are in illiquid form. When a business owner is ready to exit their business, the ability to unlock the trapped wealth within these closely held shares presents an opportunity for the business owner to build a tax smart charitable legacy. A donor advised fund (DAF) paves the way to that legacy.

A tax inefficient way to use S-corp shares for charitable giving is illustrated below:

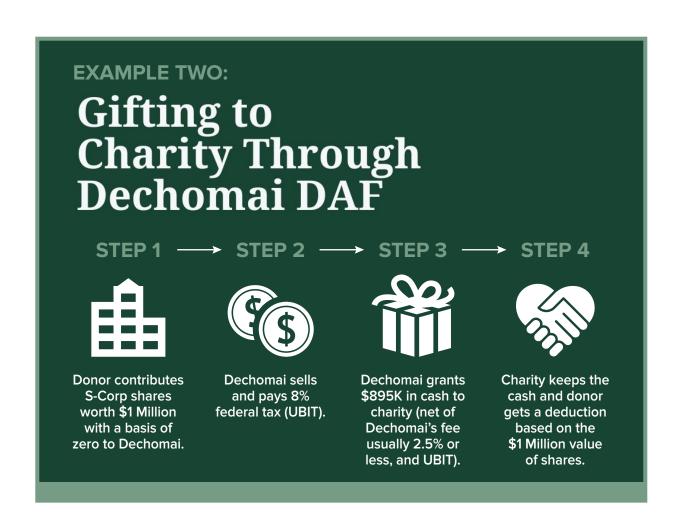




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Some charities may not have the capability nor desire to accept S-Corp shares. Luckily, the donor could donate the appreciated S-corp shares in a way that is tax-smart and makes more money available for charitable gifts.

An illustration of how a donor could gift S-Corp shares through a Dechomai DAF is illustrated below:



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