# Pooled Income Fund


**A Pooled Income Fund (PIF) is an irrevocable trust maintained by a "public charity." Gifts from all donors are combined for investment purposes. Pooled Income Funds permit irrevocable gifts from multiple donors and provide income streams to beneficiaries. Donors will all benefit from current income tax deductions for direct contributions to the Pooled Income Fund, as well as transfer tax deductions.**

**Irrevocable gifts from separate donors are commingled for investment purposes. Gifts are typically cash or securities, although some PIFs may accept other types of property. Each named beneficiary receives a proportionate share of the net income earned by the fund each year. Upon each donor's death, a portion of the fund representing the value assigned to that beneficiary is distributed to the charitable organization that sponsors the fund.**

## Who does it work for?

A Pooled Income Fund may be the right tool for donors who have a desire to benefit charity, but may only have a modest investment to contribute. Donors to a PIF must recognize that there can be fluctuations in the net income of the fund.

## Benefits of a PIF

### Reduced Tax Costs

Contributing appreciated assets to a PIF reduces or helps avoid taxes by providing income and transfer tax deductions at the time of contribution.

### Charitable Impact and Legacy

A Pooled Income Fund creates giving opportunities for modest investors, and allows them to designate the use of the funds by a charitable organization after expiration of the income interest.

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