

# TAX-SMART GIVING

## Donor Advised Funds

### What Is a Donor Advised Fund?

A DAF is an account where you can deposit and manage cash and non-cash assets that are reserved for future charitable giving. You realize any tax benefits for which you qualify in the year of the donation. You can then recommend grants from your fund to the charitable organizations of your choice.

### What Are the Benefits of a Donor Advised Fund?

There are a number of benefits of opening a Donor Advised Fund including:

- You can fund a DAF with various sources: cash, stocks, real estate, cryptocurrencies, mutual funds, non-publicly traded assets
- You qualify for a federal income tax charitable deduction when you make a gift to the fund.
- You eliminate capital gains taxes when you use long-term appreciated assets.
- You don't have to retain records for each contribution.
- Families can build a tradition of giving by involving children in the decisions about what grants to recommend.

### How Do I Open a Donor Advised Fund?

To open a donor-advised fund, you select a sponsoring organization. Community foundations run a number of these funds and so do financial service companies such as Fidelity, Schwab, and Vanguard. Once established, you can make an irrevocable, tax-deductible contribution into the fund.

### How Do I Give through a Donor Advised Fund?

Contact the sponsoring organization and instruct them to make a charitable gift to the organization of your choice.

### Would You Like More Information?

Contact Legacy Giving Coach Tom Aakhus:



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