



Key learnings

- ✓ Potential for immediate tax deduction
- ✓ DAF allows for more control of how your donations are used
- ✓ You can name a successor, distribute assets, or leave to another DAF after you pass

Donor Advised Fund (DAF)

Understanding a Donor Advised Fund

A Donor Advised Fund, or DAF, is a charitable tool that allows you to make an irrevocable contribution to the fund, for which you gain an immediate tax deduction. Over time, you can request distributions be made to IRS-approved, public charities of your choosing. Keep in mind that you will receive any potential tax deduction in the year that you contribute to the DAF and not when the money is distributed from the DAF to charity.

Control and benefits

Donors can advise on how the money is invested, when the funds are granted, and which charities receive grants. Since the money is invested you have the potential to grow your charitable impact over time. The donor's influence over the assets and the delay in distribution allows for several benefits:

- Ability to evaluate charities over time
- Share your giving values with loved ones by discussing potential grants together
- Leave a legacy of charitable giving since ultimately, the assets will go to charity

Each donor advised fund may have different requirements for minimum amount of contribution, minimum grant size and available investment options.

Leaving a legacy through a DAF

Leaving a legacy is one of the uses of a DAF. You can direct what happens to the assets after your passing, such as:

- Name a successor advisor to direct distributions
- Distributing the funds, after you pass, to the charities of your choice
- Leave assets to another DAF

Additional considerations

- Please consult a tax professional to better understand the potential tax benefit and cash flow implications of incorporating a DAF as part of your charitable giving strategy.
- The IRS doesn't allow Qualified Charitable Distributions (QCDs) to be contributed to DAFs.