

# DONOR ADVISED FUNDS



## WHAT IS A DONOR ADVISED FUND?

Donor advised funds allow you to make a tax-deductible transfer of cash or marketable securities that is immediately eligible for a charitable deduction. Then, you can recommend gifts to favorite charities from the fund when the time is right.

- A donor advised fund operates a lot like a checking or investment account, just for charity
- Your donor advised fund is established according to specific IRS guidelines that create tax advantages and support ease of administration
- Assets in the fund are invested to align with your investment philosophy and goals for the fund

## WHY IS IT USEFUL?

A donor advised fund is easy to establish and maintain. With a donor advised fund, you'll enjoy:

- 24/7 online access to view your account and recommend grants to your favorite charities
- Ability to transfer highly-appreciated assets, benefit from an income tax deduction, avoid capital gains on the sale, and grow the proceeds for your own grantmaking and even to leave a legacy for children and grandchildren to continue your philanthropic commitments
- Request that checks from your fund be sent to charities in your name or anonymously, depending on each situation

## HOW DOES PCCF HELP?

When you establish a donor advised fund at the Putnam County Community Foundation (PCCF), you are part of a community of giving and you have opportunities to collaborate with other

donors who share similar interests. In addition, you're supported in strategic grant making, family philanthropy, and opportunities to gain deep knowledge about local issues and nonprofits making a difference. The team at PCCF works with you to:

- Select a name for your fund, whether your family name or something less specific
- Create and execute a document that establishes your fund and designates successor advisors, such as your children, to step into your shoes upon your death or incapacity
- Learn more about the causes you care about and how to make the biggest impact
- Discover ways to involve your family in your giving

**Minimum Gift:** \$12,500

**Administrative Fee:** 0.5-1.5%

**Annual Payout:** 4.5%

## DONOR ADVISED FUND VS. PRIVATE FOUNDATION

Establishing a donor advised fund at PCCF offers nearly the same functionality as a private foundation, in that you and your family members can use either vehicle to support your favorite charitable causes and organizations. A donor advised fund, though, unlike a private foundation, provides maximum tax benefits (higher AGI limitations and fair market valuation for contributing hard-to-value assets), is not subject to excise taxes, and permits confidentiality (including the ability to grant anonymously to charities). As well, the experienced team at PCCF handles accounting, bookkeeping, and filing requirements for an economical administrative fee, and our team serves as an experienced sounding board for your charitable decisions.