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Donor-advised Funds

Information, tips, and techniques for an increasingly popular giving tool

Presented at Stewardship Kaleidoscope, Sept. 26, 2017

What is a donor-advised fund?

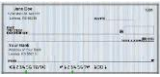
A donor-advised fund, or DAF, is a philanthropic vehicle established at a public charity. It allows donors to establish their own individual fund, make charitable contributions to that fund, and receive an immediate tax benefit for that contribution. The donor then recommends grants from the fund to qualified charities.

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What is a donor-advised fund?

A hybrid account...


checking,



savings,



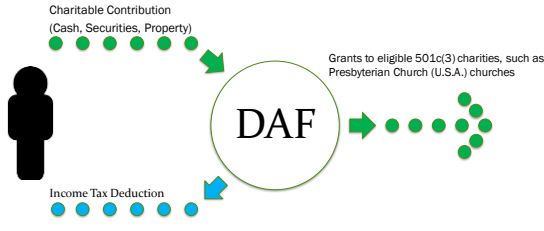
& investment



used exclusively for giving to qualified charitable organizations

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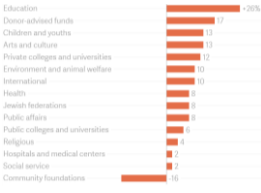


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Why is it important to know about DAFs?

- Donor-advised funds are now some of the largest repositories of charitable dollars in the United States.
- Soon donor-advised funds could account for 10 percent of all individual giving, based on figures from "Giving USA" and the National Philanthropic Trust
- More and more charities have begun to offer their own donor-advised funds, among them hospitals, universities, Rotary International chapters, small churches, and even United Way affiliates.

Change in Giving to Philanthropy 400 by Cause, 2014 to 2015



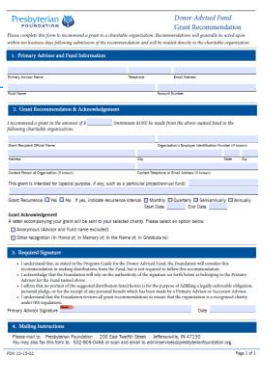
Cause	Change (%)
Education	28%
Donor-advised funds	17
Children and youths	13
Arts and culture	10
Private colleges and universities	10
Environment and animal welfare	10
International	10
Health	8
Jewish federations	8
Public affairs	8
Public colleges and universities	6
Religious	4
Hospitals and medical centers	2
Social service	2
Community foundations	10

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The DAF process in 4 simple steps

Step 1: Grant submission

The donor submits a grant request to the sponsoring organization. Organization approves or denies.



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The DAF process in 4 simple steps

Step 2: Grant recipient receives the funds

The church receives the grant and accompanying documentation

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The DAF process in 4 simple steps

Step 3: Thank the donor

Gift acknowledgement is a critical part of ensuring repeat gifts.

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The DAF process in 4 simple steps

Step 4: Follow up with the donor

Let the donor know the ways your church and their gift (if possible) are creating a positive impact

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Do's and Don'ts

Donor-Advised Fund Edition

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The Don't Cheat Sheet

1. Don't allow or encourage parishioners/members to pay pledges with grants from their DAFs
2. Don't allow DAF grants to be used for the donor's personal benefit (examples-memberships, tickets or other benefits)
3. Don't accept grants into non-approved legal structures
4. Don't provide the donor with a tax acknowledgement letter

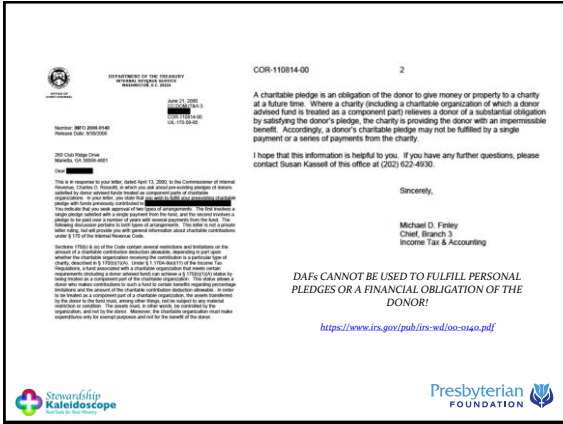
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The Typical Pledge Card

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Examples of Revised Pledge Cards

The “sticker” approach – Donor initiated

THIS IS NOT A PLEDGE

I am happy, however, to recommend that a grant of \$_____ be made from my donor-advised fund established at XYZ charity.

Examples of Revised Pledge Cards

The separate document approach – church initiated

Donor Name _____

Address _____

City _____ State _____ Zip _____

Phone _____ Email _____

I intend to recommend the following grant from my donor-advised fund account to:

A \$_____ (grant on _____) _____

A \$_____ (recurring grant to be issued _____) _____

A \$_____ (grant upon my death) _____

Examples of Revised Pledge Cards

The additional language approach – church initiated

Sample Pledge Card

For those using Donor-advised Funds, please use this section*:

I/we intend to request our Donor-advised Fund to make the following Grant(s).*

A grant of \$_____ on _____ (date)

A recurring grant of \$_____ to be issued _____ starting _____ (month/year) _____ (month/year)

A grant upon my/our death

*Grants from Donor-advised Funds cannot be used to satisfy personal pledges or in exchange for personal benefit.

The Do Cheat Sheet

1. Do acknowledge that DAFs exist and are becoming an increasingly common and important component of philanthropy.
2. Do mention that you accept DAF gifts in your contact points.
3. Do provide a thank you letter to your DAF grantors.
4. Do get to know your DAF grantors.
5. Do let the needs of your church or mission be known

Four DAF Donor Stories

The Habiger Family



Rev. Judy Skaggs



Steve and Sarah Mato



The Hetterich Family



Thank you for joining us today!



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