

# DONOR-ADVISED FUND

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If you want to simplify your giving and potentially multiply your impact, a donor-advised fund (DAF) could be an efficient and smart option. A DAF is a charitable giving account established with a nonprofit organization but controlled by you.

## HOW IT WORKS



### DONATE

You make an irrevocable contribution of cash, securities, or other assets to your DAF. Your contribution is recorded as a charitable donation and you receive an immediate tax deduction.



### GROW

If you aren't sure which charities to support with your donation, you can invest the assets for tax-free growth. So while you are deciding which charity to support, your donation can potentially grow and increase your giving.



### DISTRIBUTE

Once you decide which charity to support, the DAF sponsor does its due diligence to confirm the charity is a qualified 501(c)(3), then it distributes the designated amount to your chosen charity.\*

*\*You received a tax donation when originally donated, so you do not receive a second tax deduction.*

## BENEFITS

Some of the biggest benefits of DAFs include:

**Non-cash giving:** Donating non-cash assets (i.e. real estate, privately held businesses) is often a tax-smart way to give, but not all charities are set up to receive non-cash assets. DAFs help make this possible and easy.

**Tax-free growth:** You are able to recommend an investment strategy for assets in your DAF, creating the possibility of growth without any tax liability.

**Simplifies giving:** Rather than keeping track of all your charitable donations, you will receive a single year-end report showing all of your donations to your DAF. Consequently, you only need to report one donation on your tax return.

**Donate when ready:** If you want to receive the tax benefit of donating to a charity now but you aren't sure which charity to give to, a DAF enables you to receive the tax benefit now while taking your time making a decision on which charity to support.



Two-thirds of people with DAFs reported giving more to charities because they have a DAF!<sup>1</sup>

<sup>1</sup> 2014 Fidelity Charitable Giving Report.