

# The Simplicity and the Benefits of Donor Advised Fund

## DAF Basics



## Still learning about Donor Advised Fund (DAF)?

**Discover how easy is to open a donor advised fund.**

If you're like most people, you give to your favorite charities, keep receipts for your taxes, and feel like you're all set when it comes to giving. If you wanted to establish your own foundation to help causes you care about, you might be discouraged by the time, financial cost or amount of energy needed to get it done.

**But imagine if there was a better way to give?**

**What if you could...**

- **Get the most favorable tax savings available, when you need it;**

- **Give your charitable contributions the chance to grow tax free year-over-year, helping to increase the total amount you give and simplify the paperwork in the process.**

## Set up a Donor Advised Fund and you will:



**...consolidating all your donations into one place...**

---



**...allowing you to simplify and schedule your tax deductions...**

---



**...pay no capital gains tax on long-term appreciated stock or property...**

---



**...and have a greater impact for your charities, and your tax savings – with less effort**

---

It works like a personal fund dedicated to your charitable giving. Instead of writing multiple checks, you put everything into one simple DAF and may be eligible to get a tax deduction for the current year. When you decide to support ROLDA by creating a DAF, your contributions are invested with the potential to grow tax free to make a bigger impact.

## 1. Contribute

Open a DAF, give it a name and put all your giving into one place. You can make contributions, all of which are irrevocable, of cash or appreciated securities (like stocks) whenever you like.

## 2. Get a Smarter Tax Deduction

When you contribute to your DAF, your contribution is irrevocable and may be eligible for an immediate tax deduction for the current year.

# Easy steps to open a DAF

## 3. Grow Tax Free

Use your Giving Fund to potentially grow your contributions into a more substantial gift for farther down the road. Your Giving Fund can last for multiple years. All growth is tax free.

4. Donate to ROLDA when you want it.

## Benefits of DAF

### Contribute a wide range of assets

Assets generally accepted include:

- Cash equivalents, such as checks, wire transfers or cash positions from a brokerage account
- Publicly traded securities or mutual fund shares
- Restricted stock
- Bitcoin and other cryptocurrencies
- Private equity and hedge fund interests

**Certain complex assets, such as privately held C-corp and S-corp shares**

### Maximize potential tax benefits

As soon as you make a donation, you are eligible for an immediate tax deduction, just as you would by donating to another public charity, like your local homeless shelter or food pantry. But some donations could make you eligible for additional benefits.

Cash donations: If you donate cash, via check or wire transfer, you're generally eligible for an income tax deduction of up to 60 percent of your adjusted gross income.

Donations of long-term appreciated assets: Donating long-term appreciated securities directly to charity—instead of liquidating the asset and donating the proceeds—can help maximize both your tax benefit and the overall amount you have to grant to charity. These donations provide two tax benefits:

- Become eligible for an income tax deduction of the full fair-market value of the asset, up to 30 percent of your adjusted gross income.

**Eliminate capital gains tax on long-term appreciated assets, as long as they've been held for more than a year.**

## Invest your donation for tax-free growth

Once you have funded your donor-advised fund, you may recommend an investment strategy for your account—potentially growing your account and providing you with more dollars to grant to charity.

## Support your legacy planning

You can incorporate your donor-advised fund into estate planning by making a bequest in your will to the donor-advised fund sponsor or by making the sponsor a beneficiary of a retirement plan, life insurance policy or charitable trust.

