

Donor Advised Funds

A donor advised fund (DAF) is a personal charitable giving account managed by a public 501(c)(3) charity that lets you donate assets, get an immediate tax break, and give money to charities over time. Major DAFs include:

- DAF Giving 360 (formerly Schwab Charitable)
- Fidelity Charitable
- Vanguard Charitable
- National Christian Foundation
- The Signatory

How DAFs Work

- **Contribution.** You give cash, stock, or property to the fund. You receive a tax receipt for the market value of the assets donated, which is deductible in the year in which the contribution is made.
- **Investment.** The money sits in the account and can be invested to grow tax-free until it is granted to your designated charities.
- **Grantmaking.** You recommend grants to qualified public 501(c)(3) charities such as Fellowship Bible Church whenever you are ready. The DAF sponsor reviews the charity to ensure it is qualified and sends the money from your account.
- **Administration Costs.** There is a modest administrative fee typically charged as a percentage of assets to cover the cost of processing contributions and grant requests as well as preparation of account holder statements and records.

Benefits of DAFs

- **Immediate Tax Deduction.** You may claim an income tax deduction, up to 60% of your Adjusted Gross Income (AGI), in the year in which the contribution(s) to the DAF

is made. Any contributions more than this limit may be carried forward for five years.

- **Capital Gains Tax Avoidance.** If long-term (held greater than one year) appreciated stock or other assets is contributed to the DAF, no capital gains tax is realized and the full market value of the assets is tax deductible, up to 30% of your Adjusted Gross Income. Any contributions more than this limit may be carried forward for five years.
- **Tax Free Growth.** You may invest funds in your DAF account while waiting to make grants to charities. The balance grows tax-free over time creating a larger pool of funds for future donations.
- **Simplified Record Keeping.** Instead of making donations to multiple charities, which requires separate tracking and collection of multiple tax receipts, a DAF allows you to make one or more donation(s) to your DAF, receive one tax receipt from the DAF, and receive reporting for all donations to charities made through your DAF.
- **Donation Bundling.** A DAF enables you to combine multiple years of planned charitable gifts into a single year which may allow you to take the itemized deduction. Then the planned gifts are made in subsequent years allowing you to take the standard deduction (\$16,100 for single filers; \$32,200 for married filers).
- **Recurring Donations.** A DAF allows you to set recurring donations so that you do not have to remember to continually make grant requests if you give to specific charities periodically, e.g. monthly.
- **Anonymity.** You can make your grants with attribution or anonymously.
- **No Mandatory Deadlines.** Unlike with a private foundation, DAFs allow you to take your time selecting qualified 501(c)(3) public charities with no minimum distributions.
- **Legacy Planning.** DAFs allow for multiple legacy planning options. You can designate final gifts upon death or over time following death, or you may pass

grantmaking privileges to a family member to pass down charitable values, or you can combine any of these alternatives.

Giving to Fellowship Bible Church via DAF

- Once your DAF account is established, look-up Fellowship Bible Church of Williamson County / 1210 Concord Road / Brentwood, TN 37027 / Tax ID #62-1660360.
- Establish either a one-time or recurring monthly grant to Fellowship Bible Church.
- If you wish to leave a portion of any remaining balance upon your death (or your spouses death), establish a legacy plan for your account. This is always changeable, so you should do this immediately after opening the account. If there are no legacy directions established for your account, the funds will be used for charitable purposes at the discretion of the DAF sponsor.