



The Donor Advised Fund – Part 3 Who Should Consider a DAF?

In an earlier [article](#), we defined Donor Advised Funds and outlined a few applications for using such a fund. In our most recent [article](#) on DAFs, we gave reasons why wise stewards consider establishing these funds. In this article, we're going to outline some of the benefits of DAFs as well as situations in which these benefits are maximized.

To review, a Donor Advised Fund is a “charitable giving fund” that functions much like a private foundation but without the cost and red tape. They can be established with as little as \$5,000 cash, stock, real estate, or other approved assets. Donors realize tax benefits in the year of the donation. They can then advise DSF to make distributions over time from their funds to the charities of their choice. Funds in the DAF can grow income-tax-free while awaiting distribution.

WHAT ARE THE BENEFITS OF A DONOR ADVISED FUND?

- Immediate Income Tax Deduction
- Capital Gains Tax Bypass on Appreciated Assets
- Tax-Free Growth of Funds
- Simplicity & Flexibility
- Name Recognition or Privacy
- Simple Receipting
- Management of Tax Deductions
- Legacy Planning

WHO SHOULD CONSIDER A DONOR ADVISED FUND?

Someone who ...

- ... needs time to make thoughtful giving decisions
- ... wants to support several charities with one large gift
- ... desires maximum flexibility to change beneficiaries
- ... wants to maximize giving through non-cash assets
- ... prefers to keep charitable giving confidential
- ... prefers a simple substitute for a private foundation
- ... needs end-of-year tax deductions
- ... desires to involve family members in giving



Think about the difference you can make and the good you can do for the cause of Jesus Christ!

Estate and gift planning information and proposals are offered as a service to our donors. Communications with Gift Planning staff are not intended as, nor should they be construed to be, legal or tax advice, and are offered for illustrative or educational purposes only. Donors are encouraged to seek legal and/or tax advice from their professional advisors prior to making any planned gift.