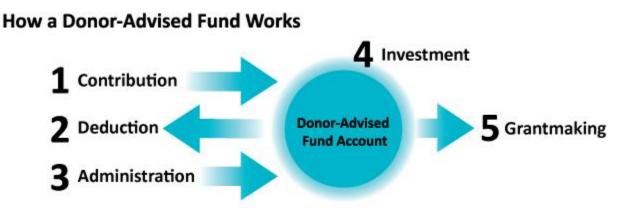
What is a Donor-Advised Fund (DAF)?

Overview

A donor-advised fund, or DAF, is a philanthropic vehicle established at a public charity. It allows donors to make a charitable contribution, receive an immediate <u>tax benefit</u> and then recommend grants from the fund over time. An easy way to think about a donor-advised fund is like a charitable savings account: a donor contributes to the fund as frequently as they like and then recommends grants to their favorite charity when they are ready.



1. You make an irrevocable contribution of personal assets.

2. You immediately receive the maximum tax deduction that the IRS allows.

3. You name your donor-advised fund account, advisors, and any successors or charitable beneficiaries.

4. Your contribution is placed into a donor-advised fund account where it can be invested and grow tax free.

5. At any time afterward, you can recommend grants from your account to qualified charities.

History and Trends

The first donor-advised funds were created in the 1930's, although Congress didn't establish the legal structure for them until 1969. In the 1990's, donor-advised funds began to grow in visibility and popularity, and they have become philanthropy's fastest-growing vehicle in recent years. Today, they account for more than 3 percent of all charitable giving in the United States. For a detailed look at donor-advised fund trends, you can view our most recent <u>Donor-Advised Fund Report</u>.