Donor Advised Fund - Overview and Benefits Webinar

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Today’s Topics

- What is a donor-advised fund (DAF)?
- How It Works
- Why are donors opening DAFs?
- What makes the CCUSA DAF unique?
- Myths & Facts
- Tax Planning
- Legacy Planning
DAF: What is it?

A simple, flexible and tax-efficient way to give to your favorite charities while realizing tax benefits.

A donor-advised fund is like a charitable investment account, for the sole purpose of supporting charitable organizations you care about.

- First pioneered in 1931; Gaining popularity
  - Fastest-growing charitable giving vehicle in the U.S.
  - Currently more than 485,000 DAF’s holding $85 billion
CCUSA DAF – a dynamic approach to charitable giving

1. **GIVE**
   Open an account and contribute cash, appreciated assets or investments, including publicly traded securities.

2. **GROW**
   Invest in one or more of our investment pools and watch your charitable checkbook grow.

3. **GRANT**
   Recommend grants to qualified 501(c)(3) nonprofit charities of your choice.
Committed strategic donors seek to **Make a Difference** by maximizing the benefits of their giving and **reduce their Tax Liability**.

**Life events driving DAF account openings:**
- sale of a business
- high income / bonus year
- at retirement
- when considering wills, trusts and estates
Are DAFs similar to a Family Foundations?

CCUSA DAF – no legal work, minimal cost and simple to open

Family Foundations – very elaborate with many rules to follow

- CCUSA DAF represents a cost-effective alternative to creating a private foundation

- When needed, CCUSA DAF Donors may request anonymity in connection with grants from their DAF

Growing trend – Inactive family foundations with minimum distributions are collapsing foundation assets into donor-advised funds
Questions and Thoughts?
What makes the CCUSA DAF unique?

- Unlike commercial DAFs - CCUSA DAF contributions invested consistent with Catholic Social Teaching
- For easy on-line grant selection – Catholic Charities agencies are approved / preferred grant recipients
- Unlike commercial DAFs – CCUSA DAF goal is to maximize frequent giving to charities whose mission is consistent with church teaching
Donor may contribute appreciated assets, thereby avoiding capital gains... more to give!

- Contribute transfers of IRAs, life insurance and annuities
- Contribute complicated assets
- Contribute transfers from an existing DAF
- Contribution is invested and grows tax free over time
CCUSA DAF investment options

Four subaccount options under UBS Investment Bank management.

- Cash Management Fund
- Income Fund
- Income and Growth Fund
- Growth Fund
Grant advising – giving to charity

- “Set it and forget it” - donor can make one-time or recurring grant recommendations to 501(c)(3) charities whose mission is consistent with church teaching

- Donor can give now or in the future
DAF Myth #1

DAF contributions can only be Cash, right?
DAF fund holders can contribute cash and:

Other securities including:
- Mutual fund shares
- Bonds
- Stocks

Other non-publicly traded assets:
- Life insurance
- Real Estate
- Oil & gas royalty interests
- Cryptocurrency

Privately held business interests
All donor-advised funds are created equal – when it comes to the investments within, right?
Commercial DAF contributions are invested in the broad market.

The CCUSA DAF offers investments in funds that meet the requirements of the USCCB for social responsible investing (SRI) consistent with church teaching.
• Capital **gains relief when contributing appreciated assets!**
• Fair market value deduction; higher valuation on assets not publicly traded
• “Bunching” charitable deductions when itemizing to exceed new standard deductions
Legacy Planning

- Ability to name successor grant advisors in perpetuity
- Build a legacy/endowment
- Involve family members; practical hands-on training
- Reinforce the importance of philanthropy
- Transfer DAF to the next generation
CCUSA DAF Setup Steps

Easy as 1, 2, 3....

1. **Complete** simple application and name your DAF

2. **Fund** your DAF

3. **Log-in** online
Questions and Thoughts?
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