



## DONOR ADVISED FUND

# FREQUENTLY ASKED QUESTIONS

### How does a Catholic Charities Donor Advised Fund account work?

A donor advised fund is a philanthropic vehicle that allows donors to make an irrevocable charitable contribution, receive an immediate tax deduction, and then recommend grants from the fund over time. The contributed funds are invested for potential tax-free growth. A donor advised fund is like a charitable savings account. The donor contributes to the fund as frequently as they like, then recommend grants to their favorite nonprofit organizations from the fund when they are ready.

### What sets Catholic Charities Donor Advised Fund apart from other DAF's?

The investments in CCUSA's DAF pass the Catholic Values Screen. The funds are actively managed by UBS and exclude companies involved in activities perceived to be inconsistent with Catholic values as set by the U.S. Conference of Catholic Bishops.

### How do I open an account and make contributions?

To open an account simply complete the forms provided at the end of these FAQs or visit [ccusa.donor.rstx.com](http://ccusa.donor.rstx.com). Note that donations of complex assets have additional rules and restrictions. If you have questions about the forms or donating complex assets, please call Anthony Sciacca at 703-236-6259.

### Do I retain control over the monies I donate?

The Internal Revenue Service has determined that in order to take the full federal income tax deduction in the year of the donation, the donor must relinquish all control of the donated assets to CCUSA and the donation is irrevocable. However, all donors in the CCUSA DAF will be able to recommend grantees and grant amounts from the donor's account.

### Who is an eligible donor?

CCUSA will accept contributions from individuals, companies, trusts and estates. We will also accept contributions from other donor advised funds and private foundations, although such donations may not be tax deductible. We recommend consulting a tax advisor for more information.

### What are the Investment Options?

Donors may recommend their contributions be allocated among the DAF's investment funds ("Investment Funds"), each of which is professionally managed by third parties according to different investment objectives.

The CCUSA DAF will maintain a subaccount ("Donor Account") that will reflect your contributions to the DAF. Individuals will receive an Account statement quarterly, and will have access to account information online at all times. Currently, the CCUSA DAF offers

investments in the funds listed below. Each fund meets the requirements set by the United States Conference of Catholic Bishops (USCCB) for socially responsible investing (“SRI”) consistent with Catholic Social Teaching. **You will have the ability to design your own investment strategy for the assets in your DAF account by allocating amounts across the following funds:**

foundations, Type III supporting organizations or any other entity prohibited by the IRS and grants cannot be used to satisfy a preexisting pledge. Also, dues, tuition, membership fees and goods purchased at a charitable auction may not be eligible. Please consult your tax advisor.

SRI Investment Fund	Objective
Cash Management Fund	Appropriate for donors with minimal risk tolerance who seek to preserve capital.
Income Fund	Appropriate for donors who are generally risk averse, yet are willing to accept some degree of risk to achieve low to moderate appreciation potential.
Income and Growth Fund	Appropriate for donors who are seeking a total return comprised of both income and capital appreciation and are willing to accept a moderate degree of volatility in returns.
Income and Growth Fund	Appropriate for donors seeking long-term growth. Donors who select this fund should be willing to accept a high degree of volatility in their returns.

### Who is eligible to receive a grant from my DAF Account?

The Internal Revenue Service allows grants to charitable organizations that are tax-exempt under Section 501(c)(3) of the Internal Revenue Code. Qualifying organizations whose mission is not in violation of the principles of Catholic Social Teaching are eligible.

CCUSA will review all grant requests to determine whether they comply with applicable law and whether the potential grantee’s mission makes it eligible. It is desired that at least ten percent (10%) of the annual grant amount be directed toward services provided by Catholic Charities.

Grants cannot be made to individuals, political candidates or parties, private non-operating

### How do I make a grant?

You may recommend charitable organizations to which grants will be made from your account by submitting a Grant Recommendation Form. Grant recommendations are subject to approval by CCUSA. The minimum grant amount is \$250.

Grants are made by checks bearing the name of the Catholic Charities USA DAF account together with a letter that references the account name and the donor’s name and any special acknowledgment (such as for in memorium or tribute gifts), or the grants may be made anonymously at your request.

## A LEGACY OF GIVING

### **How does a Catholic Charities USA Donor Advised Fund support legacy planning?**

CCUSA DAF accounts enable flexible and no-cost legacy planning.

Donors may name up to four designated individuals as successors on their account. Successors become account holders when the succession plan is enacted. Succession plans are enacted upon the notification to CCUSA of the death or incapacity

### **May I name others to my account to help manage it?**

An account holder may also appoint a secondary account holder, for example, a spouse or family member. Both the primary and secondary account holders have full and equal account access and privileges. This designation can be made when filling out the New Account Application form or at any time by contacting us.

### **Can my children/grandchildren be involved with my account?**

Yes. Account holders can establish a succession plan when opening the account and/or add successors at any time by contacting us. If a successor is a minor, a legal guardian must approve all account activity until the minor reaches the age of 18. We also recommend including family members in the grant making process, instilling the value of generosity and leaving a legacy of altruism for future generations.

### **Can I convert my private family foundation into a donor-advised fund?**

Yes! For donors who prefer the simplicity and cost effectiveness of a donor-advised fund, a private foundation can be converted. Please contact us directly if you are considering this option and we can work with your attorneys and advisors to seamlessly complete the transition.

### **I have a donor-advised fund at another firm. Can I move it to Catholic Charities USA?**

Yes! For donors who prefer their funds be invested consistent with Catholic Social Teachings, we make it simple to move your fund. Please contact us directly for assistance.

## FINANCIAL AND TAX INFORMATION

### **What are the costs associated with a Catholic Charities USA DAF?**

Costs include Administrative fees of 1% . Investment fees will vary by the underlying investment chosen, but are lower than industry average for actively managed investment accounts.

Unlike most investment firms, CCUSA does not pay sales bonuses or commissions to staff individuals for opening accounts. This keeps fees low, allowing more money to be applied toward grants.

### **Will a receipt be issued for my contributions and grants for tax purposes?**

Since the contribution to the CCUSA DAF is eligible for a current year income tax deduction, any other receipts or acknowledgments received (e.g., from a charity to which a grant has been recommend-ed) are duplicative and not necessary for tax purposes. The CCUSA DAF streamlines your giving and your tax preparation.

### **Why should I consider funding my DAF with non-cash assets?**

Contributing appreciated non-cash assets or investments to your DAF can be the most tax-advantaged approach because doing so allows you to avoid capital gains tax that would normally be due if the shares were sold outright. In addition, contributing non-cash assets or investments may also help diversify a heavily concentrated portfolio.