



# *at a glance*

## **DONOR ADVISED FUND**



### **WHAT IS A DONOR ADVISED FUND?**

A donor advised fund (DAF) is a charitable account you can establish with the ELCA Foundation permitting your current gifts to be used for future support of the ministries and charities that matter the most to you. The ELCA Foundation Donor Advised Fund is invested in the Endowment Fund Pooled Trust, meaning these accounts receive stable quarterly distributions with underlying growth through market investments. With the ELCA Foundation Donor Advised Fund you can have confidence in your account being invested alongside the endowments of not only the ELCA but also more than a thousand ELCA congregations, synods and ministries. These investments all follow the Corporate Social Responsibility guidelines of the ELCA, which ensure that your investments make a difference before they're even distributed.

#### **Here's how it works:**

You establish and name a donor advised fund with the ELCA Foundation through your work with a regional gift planner. The fund will be established with named adviser(s) – typically you, the donor(s) – who will recommend grants from the fund. Your regional gift planner will assist you in deciding the future of the donor advised fund by establishing successor advisers, a future transition to a [named endowment](#) or final distribution of assets.

The DAF can be funded through gifts of cash, [stock](#), [marketable commodities](#) or other assets, including gifts of [real estate](#), closely held stock, subchapter S corporate stock, LLC interests and partnerships.\* You receive an immediate tax deduction when you contribute cash, securities or other assets to a DAF. Funds in your DAF are able to grow tax free, and distributions can be made via a grant recommendation from the advisor(s) of the fund.

These distributions can support your congregation, ministries and favorite charities. By involving family members in making grant recommendations, many families use their donor advised fund to teach younger generations about giving.

### **WHAT ARE THE BENEFITS OF A DONOR ADVISED FUND?**



Organize and simplify your giving.



Share giving decisions with your family.



Split large gifts among multiple ministries.



Give anonymously.

## WHY SHOULD I USE A DONOR ADVISED FUND?

### WHAT ARE THE BENEFITS?

- A donor advised fund allows you to receive an immediate tax deduction for a large contribution and permits flexibility in making distributions to congregations, ministries and charities.
- Anyone can contribute to your donor advised fund, which permits you to use the fund similarly to a family foundation or for giving circles.
- You can simplify your charitable giving by making gifts to a donor advised fund and making the fund your sole source of charitable deductions.
- A donor advised fund allows you to give anonymously to organizations.
- Appreciated assets can be given directly to a donor advised fund to reduce capital gains tax, receive an immediate deduction and allow tax-free future growth of your charitable dollars to maximize your giving.

### RULES TO KEEP IN MIND:

- There is a \$200 minimum per recipient for distributions from a donor advised fund.
- Distributions are made on the last business day of each quarter.
- There is a \$10,000 minimum account balance for donor advised funds.
- The Endowment Fund Pooled Trust is a long-term investment. ELCA Foundation donor advised funds are best suited for donors who want to distribute funds over a long period of time, similar to the way an endowment works but offering the flexibility to make additional gifts at the request of the adviser(s).

### TIP:

A donor advised fund is a useful tool for sharing giving choices and gifts with your family and/or friends. Sharing giving decisions from your DAF can be a great way to teach younger generations about the joy of giving. A DAF is not a family foundation, but it may achieve many of the same goals with significantly lower costs.

\* Any proposed gifts of such assets must be reviewed in advance with the ELCA Foundation and the donor's tax adviser.

## WANT TO LEARN MORE?

**Find your regional gift planner at [ELCA.org/foundation](https://elca.org/foundation) or call 800-638-3522.**

The examples and information provided are for illustrative and educational purposes only and should not be considered tax or legal advice. Please consult with your tax or legal adviser about proceeding with your gift plan.