



When to Set Up A Donor Advised Fund

Does your situation match any of these?

- **You make Numerous Charitable Gifts throughout the Year:** A Donor Advised Fund provides a simple, flexible, and economical way to manage your charitable contributions now and in the future.
- **You have a Highly-Appreciated Block of Stock:** You can avoid paying capital gains taxes on the gain in the stock, and generate a tax deduction. Then you can make gifts from your DAF over time.
- **You have Received an Inheritance:** You can create a memorial DAF in the name of your benefactor, and generate a tax deduction. Then you can make gifts, over time, to charities that your benefactor cared for.
- **You are Selling a House or Vacation Home:** You can avoid paying capital gains taxes on the gain in the property, and generate a tax deduction. Then you can make gifts from your DAF over time. (You don't have to give the entire house to charity; you might only gift a small fraction of it, as will meet your needs.)
- **You wish to Memorialize a Loved One:** Create a DAF in the name of your loved one. Make periodic gifts to charities that he or she cared about. You might invite a group of the deceased's close friends to meet annually to remember the person who brought you together, and to jointly decide on appropriate charities to which to make gifts.
- **You wish to Create a Family Culture of Philanthropy:** Introduce your children and grandchildren to philanthropy, by setting up a DAF and letting the group decide which charities shall receive gifts from it. Hold an annual board meeting; have each person make a presentation to the group about a charity (thoroughly researched), and vote.
- **You are Selling a Business:** If you have substantial capital gains in your business, you could avoid some capital gains taxes by carving off a part of the business and putting it into a DAF. In addition, you would generate a tax deduction, which would further reduce your taxes. Make gifts to your favorite charities over time, when you have more time to research them.
- **You wish to Create a Corporate Culture of Philanthropy:** Set up a DAF in the name of the company, and generate an immediate tax deduction. Form a committee of employee volunteers to investigate and recommend gifts to charities. Build name recognition for good deeds. Help to create a healthy local economy, which will help your firm to be successful.
- **Use with a Charitable Remainder Trust:** Set up a DAF to be the remainder beneficiary of a Charitable Remainder Trust. Specify your children as gift advisors, to carry on your legacy of community involvement.