

# DAF SUCCESSION AND CHARITABLE OBJECTIVES: Avoiding Unintended Results



# **CAUTION:** **NOT ALL DONOR ADVISED FUNDS ARE CREATED EQUAL**

While DAFs have been touted as an excellent alternative to foundations due to their administrative ease, cost, and flexibility, the devil is in the details. In determining whether a DAF is the right choice (as opposed to a foundation or other methods of charitable giving), clients need to consider how their DAFs will be administered after their death or incapacity.

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# DAF V. PRIVATE FOUNDATION

## DAF DONOR-ADVISED FUND

DONORS RECEIVE IMMEDIATE TAX DEDUCTION.

CODE SECTION 4943 IMPOSES AN EXCISE TAX OF 10% ON EXCESS BUSINESS HOLDINGS (I.E., GREATER THAN 20% OF A DIRECT OR INDIRECT BUSINESS HOLDING).

## PRIVATE FOUNDATION

- Advisor requests grants and sponsoring organization must approve.
- Sponsoring organization manages all grantmaking, investment, and administrative matters (for sponsoring organizations with national reach, annual administrative fees are typically 0.6% and investment fees range from 0.015% to 0.99% depending on the sponsor).
- Uncertain flexibility for multiple generations.
- No assurance limits on annual donations and caps on distributions to any one or more organizations will be followed.
- Grants can be made anonymously.
- Income tax deductions for lifetime contributions: up to 60% AGI for cash donations; up to 30% AGI for other assets.
- No ability for involvement in financial decisions. Advisor should review investment success.
- Possibility charitable sponsor gains control of the funds.

- Board must approve grants.
- Board has complete control over investment and grantmaking decisions.
- Ability to designate and limit annual donations, subject to the 5% rule and cap distributions to any one or more organizations.
- Accounting expenses, compliance regulations, legal expenses, tax traps, tax returns, self dealing.
- Ability to provide different powers to family members.
- Must identify all grantees when annual IRS Form 990 - PF is filed, which is publicly available.
- Required to distribute approximately 5% of their assets each year for charitable purposes.
- Must pay a 1.39% excise tax on net investment income and realized capital gains.
- Income tax deductions for lifetime contributions: up to 30% AGI for cash donations; up to 2096 AGI for other assets.
- Perpetual duration.

**Donor-advised fund ("DAF"):** An account administered by a charitable sponsor that is used for philanthropic giving. A donor-advised fund is a giving vehicle that donors can establish and fund by making irrevocable, tax-deductible contributions to the charitable sponsor. Donors retain advisory privileges and may recommend grants from those funds to other charitable organizations. All recommendations are non-binding on the charitable sponsor, which retains exclusive legal control over contributed assets.

**Private foundation:** A tax-exempt organization recognized under Section 501(c)(3) of the IRC formed and controlled by a donor or small group of donors for the purpose of distributing money to charitable organizations or individuals.

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- Code Section 4943 imposes an excise tax of 10% on excess business holdings (i.e., greater than 20% of a direct or indirect business holding).
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# DEFINITIONS

- **“Advisory Rights”**: The right to recommend, but not direct, grants from the DAF to 501(c)(3) charitable organizations.
- **“Charitable Sponsor”**: The Donor Advised Fund administrator.
- **“DAF Agreement”**: The Donor Advised Fund Agreement, entered into by the Donor and the Charitable Sponsor.
- **“DAF”** : Donor advised fund.
- **“Donor”**: The individual or individuals who set up (i.e., created and made the donation to) the Donor Advised Fund.
- **“Successor Advisor”**: The advisor, who shall serve (i.e., recommend distributions from the DAF) upon such time that no Donor is living or incapacitated.



# INTRODUCTION TO DONOR-ADVISED FUNDS (DAFS)

- DAFs: A simpler alternative to private foundations.
- Allow irrevocable, tax-deductible contributions (e.g., cash, stock, real estate, art, cryptocurrency).
- Sponsoring organizations (Charitable Sponsors) manage DAFs, e.g., Fidelity, Vanguard, Schwab.
- DAFs may also be established at Community Foundations.
- Financial advisors may have incentives to promote DAFs over private foundations.





# ADVANTAGES AND CONSIDERATIONS OF DAFs

- Donor may recommend grants from the DAF, but the DAF administrator is not required to fulfill the Donor's grant requests. Unless prohibited, DAF administrators generally fulfill the Donor's grant requests.
- DAF administrator controls investments. Donor gives up total control over the DAF funds.
- Succession planning through DAF agreements.
- Flexibility in tailoring DAF agreements and the willingness of the DAF administrator to enforce the DAF agreement provisions varies across Charitable Sponsors.

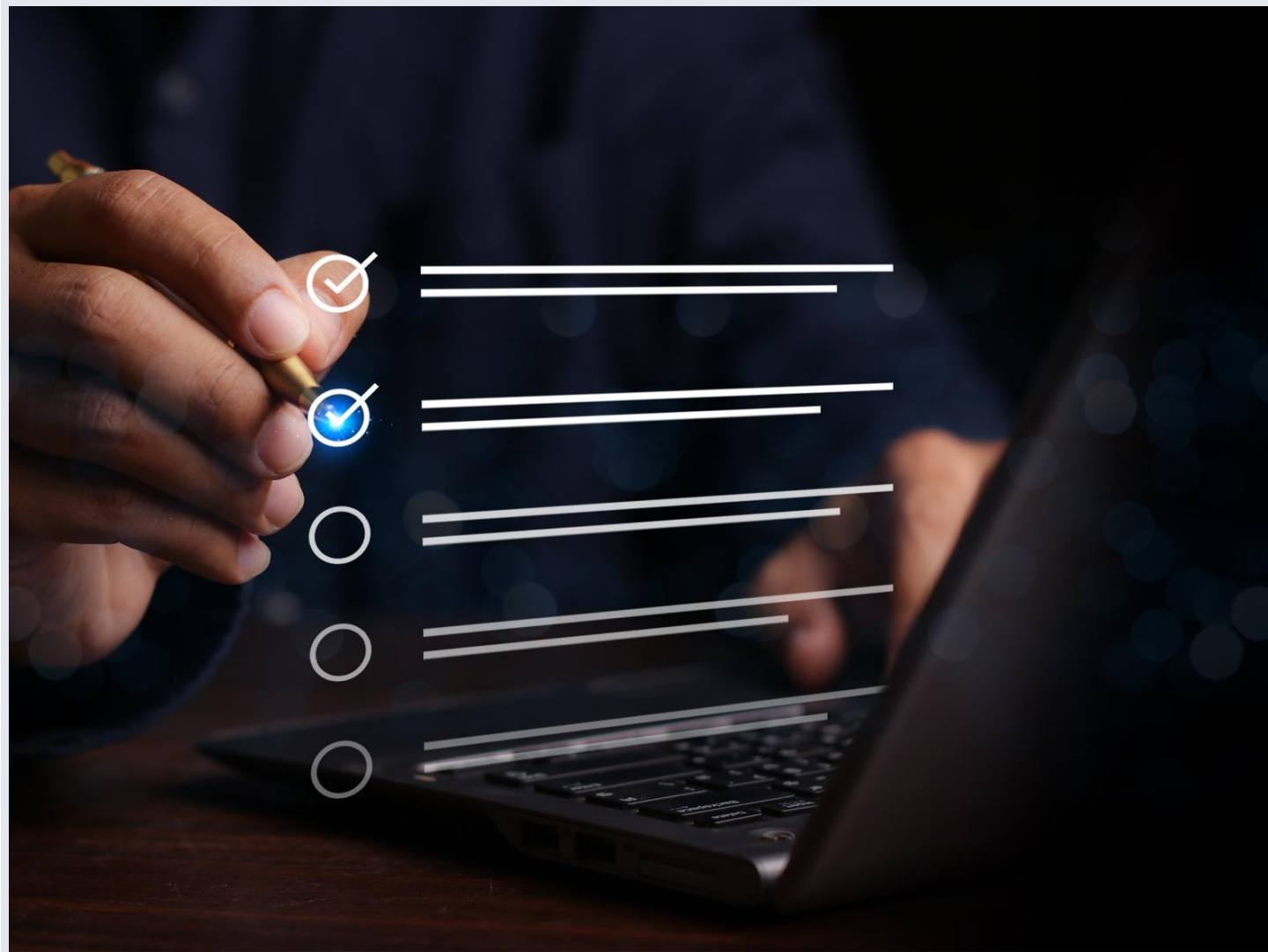


# KEY ISSUES WITH DAFs

- Limited provisions for successors beyond 1-2 generations.
- Disparity in flexibility among Charitable Sponsors. The results from a survey performed by the author's/speaker's reflect that Community Foundations are often much more flexible than charitable arms of financial institutions.
- Donors need to confirm what happens to DAF funds if the Donors are no longer living or capacitated and no Advisor is serving. (Do remaining DAF funds pass to specified charity(ies)? Does Charitable Sponsor make decisions?)
- Importance of customizing DAF Agreements to align with donor objectives and determine the Charitable Sponsor's willingness to follow such DAF Agreement.







# SURVEY QUESTIONS



# SURVEY QUESTIONS

- Will the Charitable Sponsor monitor the requests made by any Successor Advisor to determine they are to specified charities or for stated charitable causes as per the DAF Agreement?
- Will the Charitable Sponsor enforce: (i) a cap on the percentage or dollar amount of distributions that may be made to a single charity per year and (ii) a cap on the amount of annual grants that may be made, based upon the DAF Agreement?
- Will the Charitable Sponsor enforce the Donor's objective as stated in the DAF Agreement that if there is more than one (1) Successor Advisor serving, such Successor Advisors must act unanimously if two (2) Successor Advisors are serving or by majority if more than two (2) Successor Advisors are serving?
- Upon the Donor's death or incapacity, can the Successor Advisor designate such Successor Advisor's successors? If so for how many generations?
- If the Successor Advisor does not designate such Successor Advisor's successor, can Donor, via the DAF Agreement, designate a process of designating successors?





# SURVEY QUESTIONS

- Can the Donor provide that upon the Donor's death or incapacity the Fund shall be divided into equal funds for each of Donor's children then living?
- Can the Donor provide that if the Donor's child who succeeds Donor cannot serve as Successor Advisor, such child's children (i.e., Donor's adult grandchildren born to such child who can no longer serve) acting by majority serve in such child's place?
- Will the Charitable Sponsor agree to the Donor's default charitable beneficiaries if no Successor Advisor is able to serve so there is no possibility that the Charitable Sponsor will select charities to receive distributions?
- If: (i) the Donor designates multiple levels of Successor Advisors and (ii) the Donor passes away, can the Successor Advisor supersede the Donor's list of Successor Advisors and appoint other persons as successors?



# SURVEY QUESTIONS

- Can the Donor's Successor Advisor(s) request distributions to any charities, regardless of whether such charities are those the Donor contributed to during the Donor's lifetimes even if the DAF Agreement limits distributions to specified charities or specified causes?
- Can the Donor and Successor Advisor(s) direct the DAF to another Charitable Sponsor regardless of whether such is authorized in the DAF Agreement?
- Will the Charitable Sponsor enforce a provision in the DAF Agreement that at such time, if any, that the Donor's children serve as Successor Advisors of their own separate fund, such child's separate fund shall terminate upon such child's death or upon the death of such child's children (i.e., Donor's grandchildren) at which time the remaining funds held in such child's separate fund, if any, will be distributed to the organizations selected by the Donor during the Donor's lifetime, which can be modified only by the Donor?
- If there is more than one advisor at any time can any individual advisor recommend distributions to one or more charities in any amount without consent of other advisors even if the DAF Agreement requires a majority vote of the advisors? For example, if: upon the Donor's death, all four (4) of the Donor's children are advisors, can one child act unilaterally as to the entire fund, without the consent of the others even if the DAF Agreement requires a majority vote?





# SURVEY QUESTIONS

Will Charitable Sponsor monitor the amounts of recommendations made by any advisor to verify they are to specified charities or for stated charitable causes as per the DAF Agreement?

Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation
N	N	Y	Y	N	N	Y	Y	Y, Unusual for DAF, more in the nature of an endowment. Community Foundation will abide by the DAF Agreement

Will Charitable Sponsor limit the amount of annual charitable distributions requested by the initial successor Advisor, in the aggregate, based upon the DAF Agreement?

Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation
N	N	Y	Y	N	Y	Y	Y	Y, Unusual for DAF, More in the nature of an endowment. Community Foundation will abide by the DAF Agreement

# SURVEY QUESTIONS

Will Charitable Sponsor enforce a cap on the percentage or dollar amount of charitable distributions that may be made to a single charity per year based upon the DAF Agreement?

Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation
N	N	Y	Y	N	N	Y	Y	Y, Unusual for DAF, More in the nature of an endowment. Community Foundation will abide by the DAF Agreement

Will Charitable Sponsor enforce the Donor's objective as started in the DAF Agreement that if is more than one (1) advisor serving, such advisors must act unanimously if two (2) advisors or by majority if more than two (2) advisors?

Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation
N	N	Y	Y	Y	Y	Y	Y	Y, Not a problem as long as agreement is clear and specific on the authority to act. Community Foundation requires clarity and will abide by the DAF Agreement



# SURVEY QUESTIONS

Can Initial Successor Advisor designate Initial Successor Advisor's successor?								
Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation
Y	Y	Y	Y	Y	Y	Y	N	Y
If Initial Successor Advisor does not designate Initial Successor Advisor's successor, can Donor, via Donor's existing DAF Agreement, designate Donor's children as successors and provide that at such time Donor's children shall act, the Fund shall be divided into equal funds for each of Donor's children then living?								
Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation
Y	Y	Y	Y	Y	Y	Y	N	Y, but would require waiver or change of two generation limit of authorized recommenders - it has been done

# SURVEY QUESTIONS

If Initial Successor Advisor does not designate Initial Successor Advisor's successor, then upon such time that the Initial Successor Advisor is unable or unwilling to act can Donor's designated successor serve (i.e., if Donor designated Donor's children as successors, can Donor's children serve as successor advisor, in succession so if a child is not then living or is unable or unwilling to serve, such child's children can serve in the child's place), so there is no possibility that Charitable Sponsor will be the decision maker unless no successors are designated or all designated successors are not living or are otherwise unable or unwilling to serve?

Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation
N	Left blank	Y	Y	Y	Y	Y, The DAF Agreement may indicate an alternative plan in the event successor advisors are not living/able/willing to serve	N	Y, would require waiver or change of two generation limit of authorized recommenders. It has been done

Can any serving successor to advisor designate his or her successor?

Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation
Y	Y	Y	Y	Y	Y	Y, if the Creator/Donor allows this option and indicates this ability in the DAF Agreement	N	Y, would require waiver or change of two generation limit of authorized recommenders. It has been done

# SURVEY QUESTIONS

Will Charitable Sponsor agree to the Donor's default charitable beneficiaries if no successor serves so there is no possibility that Charitable Sponsor will be the decision maker at such time as to charitable contributions?								
Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation
Y	Left blank	Y	Y	Y	Y	Foundation will agree to the Creator/Donor's default charitable beneficiaries if there is no successor advisor able or willing to act as long as at least one of the default charitable beneficiaries is in existence at such time	Y	Y, may require waiver or change limit on two generations of authorized recommenders. It has been done. It would also require waiver of practice that any DAF with no surviving authorized recommender(s) becomes an unrestricted endowment in the name of the Donor
If: (i) the Donor designates Donor's children as successors to serve after Initial Successor Advisor and (ii) the Donor passes away, can the Initial Successor Advisor have the ability to supersede the Donor's children and appoint other persons if authorized in the DAF Agreement?								
Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation
Y	Left blank	Y	Y	Maybe	Y	Y	Y	Y, so long as agreement is clear and specific on authority to act. Community Foundation requires clarity and will abide by the DAF Agreement

# SURVEY QUESTIONS

If there is more than one advisor at any time can any individual advisor recommend distributions to one or more charities in any amount without consent of other advisors even if the DAF Agreement requires a majority vote of the advisors?

Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation
Y	Y	N	N	N	N	N	N	N, Community Foundation will abide by the DAF Agreement

For example, if: upon the Donor's death, all four (4) of the Donor's children are advisors, can one child act unilaterally as to the entire fund, without the consent of the others even if the DAF Agreement requires a majority vote?

Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation
Y	Y	N	N	N	N	N	N	N, with multiple recommenders, Community Foundation requires clarity in the DAF Agreement as to who may act and in what combination. Community foundation will abide by the DAF Agreement



# SURVEY QUESTIONS

Is the only way to avoid a situation where one child unilaterally recommends distributions to charities that child supports without the consent of the child's siblings the creation, upon the Initial Successor Advisor's death, of separate funds for each of the Donor's children?								
Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation
Y	Y	N	N	N	N	N	N	N, division into separate funds is one way to structure succession to avoid this situation, but majority rule would also work. We have written a couple agreements requiring unanimity so as to require the children to collaborate and agree, but this has obvious risks. With multiple recommenders, Community Foundation requires clarity in the DAF Agreement as to who may act and in what combination. Community Foundation will abide by the DAF Agreement

# SURVEY QUESTIONS

Can the Donor's successor advisor(s) recommend distributions to any charities, regardless of whether such charities are those the Donor contributed to during the Donor's lifetimes even if the DAF Agreement limits distributions to specified charities or specified causes?								
Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation
Y	Y	N	N	Left blank	Y	N	N	N, Community Foundation will abide by the DAF Agreement
Can the Donor and the advisor direct the donor advised funds to another donor advised fund administrator regardless of whether such is authorized in the DAF Agreement?								
Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation
Y	Y	Y	Y	N	Y	Y, The Community Foundation DAF Agreement authorizes transfers of all funds in a DAF to another DAF provider per the direction of the Creator/Donor. We can only act on directions from a person or person(s) authorized, at the time of such direction, to give us that direction subject to any limitations on such person's authority as set forth in the DAF Agreement	N	Y

# SURVEY QUESTIONS

Will Charitable Sponsor enforce a provision in the DAF Agreement that at such time, if any, that the Donor's children serve as advisors of their own separate fund, such child's (or grandchild's) separate fund shall terminate upon such child's death or upon the death of such child's children at which time the remaining funds held in such child's separate fund, if any, will be distributed to the organizations selected by the Donor during the Donor's lifetime, which can be modified only by the Donor?

Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Charitable Arm of National Financial Institution	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation	Community Foundation
N	N	Y	Y	N	Y	Y	Y	Y, would require waiver or change of limit on two generations of authorized recommenders. It has been done. It would also require waiver of practice that any DAF with no surviving authorized recommenders become an unrestricted endowment in the name of the Donor



# COUNCIL ON FOUNDATIONS SAMPLE DONOR ADVISED FUND AGREEMENT

## Sample Donor Advised Fund Agreement

### 1. Contribution

I/we \_\_\_\_\_ (the "Donor(s)") hereby irrevocably give \_\_\_\_\_ [describe assets] to \_\_\_\_\_ (the "Foundation"), a charitable organization described in sections 501(c)(3) and 509 (1) of the Internal Revenue Code. The Donor(s) understand that this is an irrevocable gift, which will be used to establish and maintain a charitable fund of the Foundation, subject to the Foundation's governing documents and bylaws. This charitable fund (the "Donor Advised Fund" or "DAF") will be known as the \_\_\_\_\_ FUND and will be identified as such in the course of its administration and distribution, unless the Donor(s) request otherwise. The Foundation may also receive additional contributions of cash and/or marketable securities from the Donor(s) or other individuals or businesses as well as distributions of cash and/or marketable securities from trusts, wills, private foundations or other donor advised funds to either initially fund or add to this Donor Advised Fund.

### 2. Administration

The Donor Advised Fund will be effective upon the acceptance Of this agreement by the Foundation. The DAF will be administered in accordance with the normal and customary policies for donor advised funds of the Foundation (available upon request).

### 3. Advisors

The following individuals may serve as Advisors to the Donor Advised Fund. If there are no Advisors identified, the Donor will serve as the Advisor to the DAF.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Upon the death, incapacity, or other disqualification of the last of the Advisors named above, the following individual(s) may serve as successor Advisor(s) to the DAF.

4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_

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# COUNCIL ON FOUNDATIONS SAMPLE DONOR ADVISED FUND AGREEMENT

If at any time there is more than one Advisor to the Donor Advised Fund, the Advisors will appoint a designee and all communications to and from the Foundation will be through the designee. If there is no designee appointed, the designee will be the first Advisor listed above, and, if no Advisor is listed, the First Donor listed below will be the designee.

At such time as the Donor Advised Fund ceases to have any Advisors, it will be used for general charitable purposes at the discretion of the Foundation's Board without consideration of advice or recommendation from an Advisor.

#### 4. Distributions

The Foundation welcomes recommendations from Advisors about distributions from the income and principal of the Donor Advised Fund.

a. All recommendations are advisory in nature. The Foundation will independently determine whether recommendations it receives are consistent with the Foundation's charitable purposes. The Foundation may accept or reject recommendations. The Foundation is not required to wait for recommendations before making distributions from the Donor Advised Fund.

#### 4. Distributions Endowed Fund

The donors intend to create a fund that is permanently endowed. Each year the Foundation will determine the amount allowed for distributions by applying its spending policy for endowed funds to assets in the fund. The Foundation welcomes recommendations from Advisors about distributions from the spendable portion of the Donor Advised Fund.

a. All recommendations are advisory in nature. The Foundation will independently determine whether recommendations it receives are consistent with the Foundation's charitable purposes. The Foundation may accept or reject recommendations. The Foundation is not required to wait for recommendations before making distributions from the Donor Advised Fund.

b. The Foundation cannot make distributions to fulfill any pledge, obligation, or membership, or to support any activity from which a Donor, Advisor or related party will receive a benefit.

#### 5. Fees

The Foundation will assess administrative and investment management fees against the Donor Advised Fund in accordance with the Foundation's published fee schedule, as amended from time to time. The Foundation may also assess the fund to cover any unusual expenses incurred in connection with the contributed assets, including the cost of disposing of them, and in the administration of the Fund.

# COUNCIL ON FOUNDATIONS SAMPLE DONOR ADVISED FUND AGREEMENT

## 6. Investments

The assets of the Fund shall be invested according to the Foundation's investment policy, as it may be amended from time to time by the Foundation's Investment Committee (with the approval of the Board).

### Optional Paragraph for Foundations Offering Donors a Choice Of Investment Pools

The Foundation maintains investment pools with varying risk and return objectives. These pools are described [below] [in an attachment to this agreement] [in your donor handbook]. All investment options are reviewed and approved by the Foundation's Investment Committee (Board) and may change from time to time as the Committee (Board) determines. You may make recommendations to the Foundation for investment Of your Fund in one or more of these pools. All recommendations must be in writing.

## 7. Anonymity/Publicity

To recognize and honor our donors, the Foundation's policy is to include our donors' names in publicity about the Foundation unless they wish to remain anonymous. Please check the box below that best describes your wish regarding publicity:

- I have no objection to the inclusion of my name in Foundation publicity
- I do not wish to have my name included in Foundation publicity and I wish to be listed as an anonymous donor
- Other \_\_\_\_\_

By: \_\_\_\_\_  
First Donor  
\_\_\_\_\_  
Second Donor

ACCEPTED:  
\_\_\_\_\_ COMMUNITY FOUNDATION

By: \_\_\_\_\_  
Date: \_\_\_\_\_



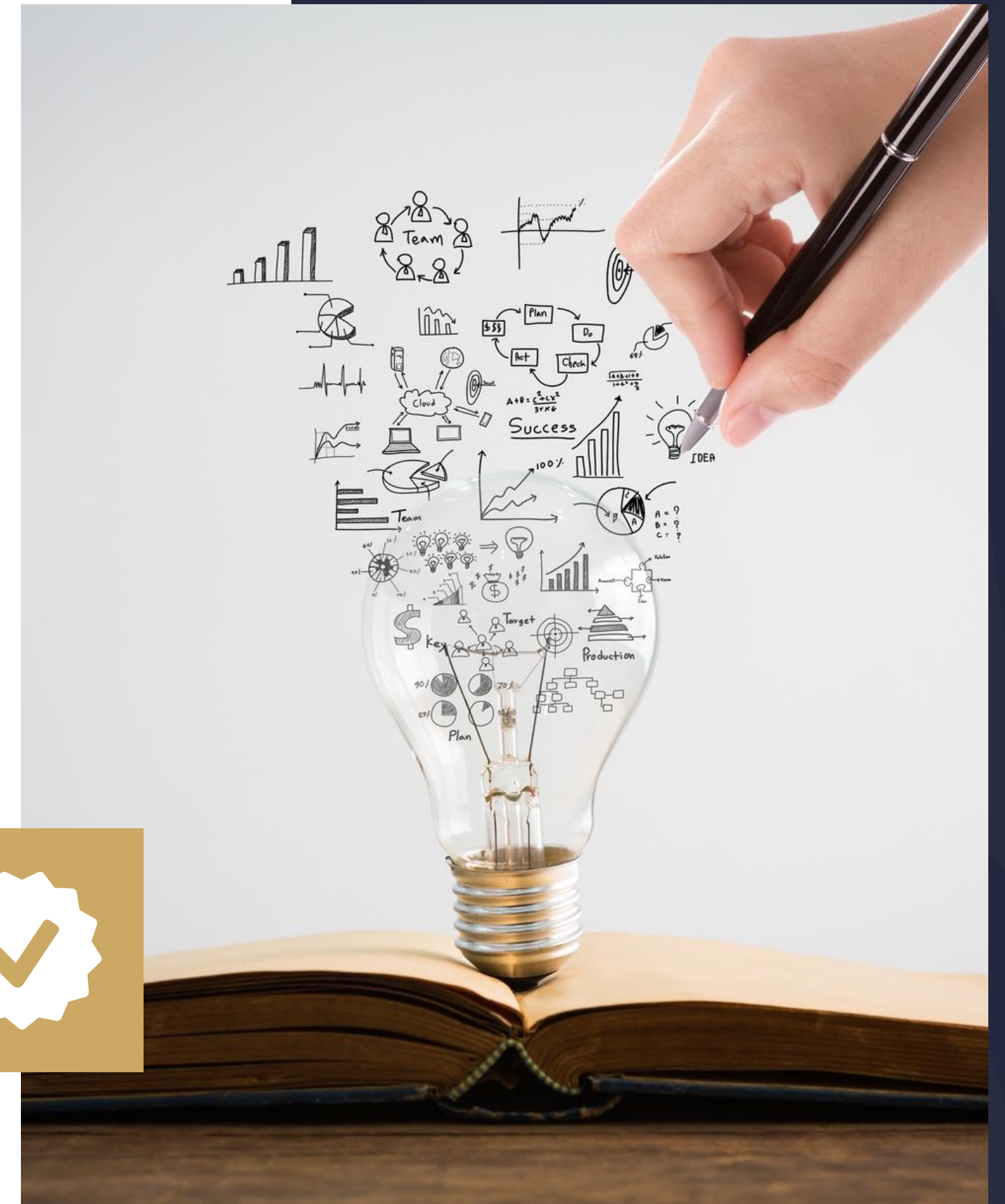
# RECOMMENDATIONS FOR DONORS AND PRACTITIONERS

- **Review** DAF Agreements thoroughly to ensure alignment with goals.
- **Compare** DAFs vs. private foundations for large contributions.
- **Explore** Charitable Sponsors with flexible terms or consider private foundations.
- **Use surveys** as tools to evaluate Charitable Sponsors' policies.



# CONCLUSION

- DAFs: Convenient and cost-effective for smaller gifts.
- Larger donations (\$1M+) require deeper consideration of flexibility and long-term administration.
- It is important that practitioners determine their clients' charitable objectives, guide clients with respect to DAFs and private foundations, and assist clients in ensuring that their charitable objectives will be satisfied both during the client's lifetime and upon the client's death or incapacity.



# NATIONAL PHILANTHROPIC TRUST: GIVING VEHICLE COMPARISON

SOURCE: [nptrust.org/donor-advised-funds/daf-vs-foundation/](https://nptrust.org/donor-advised-funds/daf-vs-foundation/)



	<b>DONOR ADVISED FUNDS</b>	<b>PRIVATE FOUNDATIONS</b>
Start-Up Time	Immediate	Can take several weeks or months
Start-Up Costs	None	Legal (and other) fees are typically substantial
Ongoing Administrative and Management Fees	85 basis points (.85%) or less, plus investment management fees	Can be in the range of 250-400 basis points (2.5% to 4% per year)
Tax deduction limits for gifts or cash	60% of adjusted gross income	30% of adjusted gross income
Tax deduction limits for gifts of stock or real property	30% of adjusted gross income	20% of adjusted gross income
Valuation of gifts	Fair market value	Fair market value* for publicly-traded stock, cost basis for all other gifts, including gifts of closely-held stock or real property
Required Grant Distribution	None	Must distribute 5% of net asset value annually
Excise tax on investment income	None	Excise tax on 1.39% of net investment income annually
Privacy	Names of individual donors are not disclosed to the public and grants can be made anonymously	Excise tax on 1.39% of net investment income annually
Administrative Responsibilities	Recommend grants to favorite charitable causes	Manage assets, keep records, select charities, administer grants, file state and federal tax returns, maintain board minutes, etc.

# 2024 DONOR-ADVISED FUND REPORT

DOWNLOAD AT [nptrust.org/reports/daf-report/](https://nptrust.org/reports/daf-report/)

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& NELSON, P.A.**  
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National  
Philanthropic  
Trust

*Your partner in giving*

*2024 Donor-Advised  
Fund Report*

# THANK YOU

LAW OFFICES OF  
**NELSON  
& NELSON, P.A.**  
A TRUSTS & ESTATES LAW FIRM

**BARRY A. NELSON**

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