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A Case Study in Donor Advised Fund Fundraising



Date: May 27, 2021

Time: 1:00 – 2:30 Eastern

Presenter: Renee Kurdzos
Executive Director, Planned Giving
Fred Hutchinson Cancer Research
Center



Agenda

- Recap of DAF definition and history
- Creation of DAF Task Force
- Compliance
- Tracking
- Marketing
- Outreach to DAF organizations
- DAF Task Force 2.0
- A note on white label DAFs
- DAFs and Equity
- Conclusion/Questions



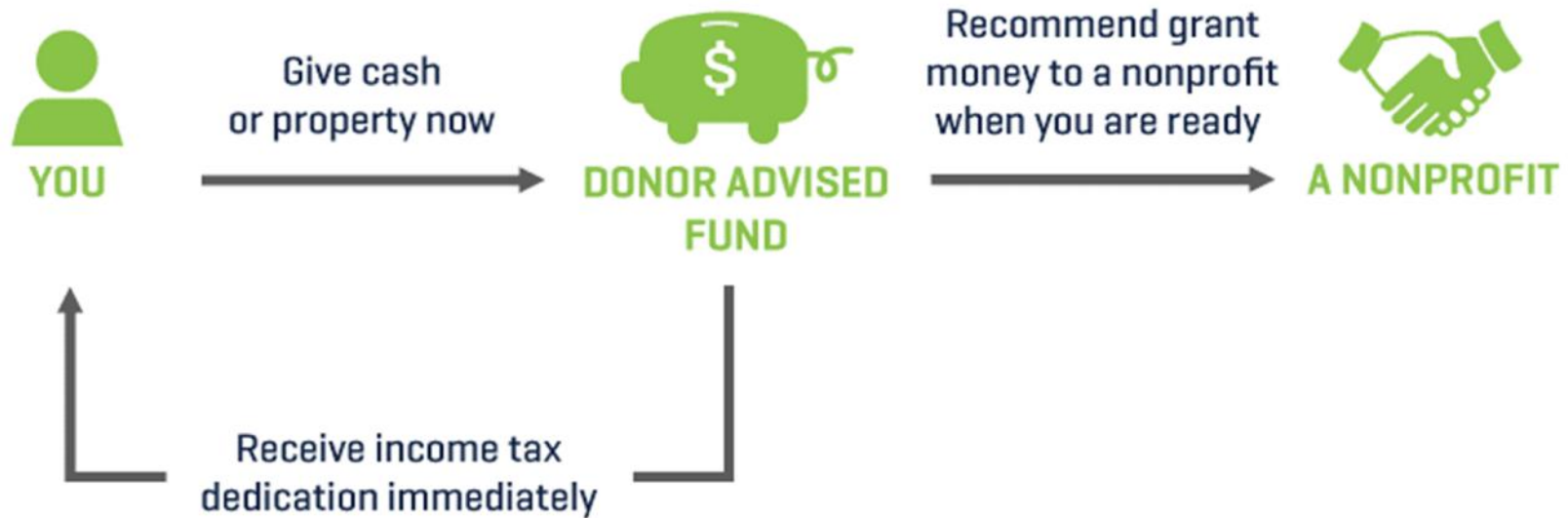
What is a Donor Advised Fund?

A donor-advised fund, or DAF, is a giving vehicle established at a public charity.

It allows donors to make a charitable contribution, receive an immediate tax deduction and then **recommend** grants from the fund over time.



What is a Donor Advised Fund?





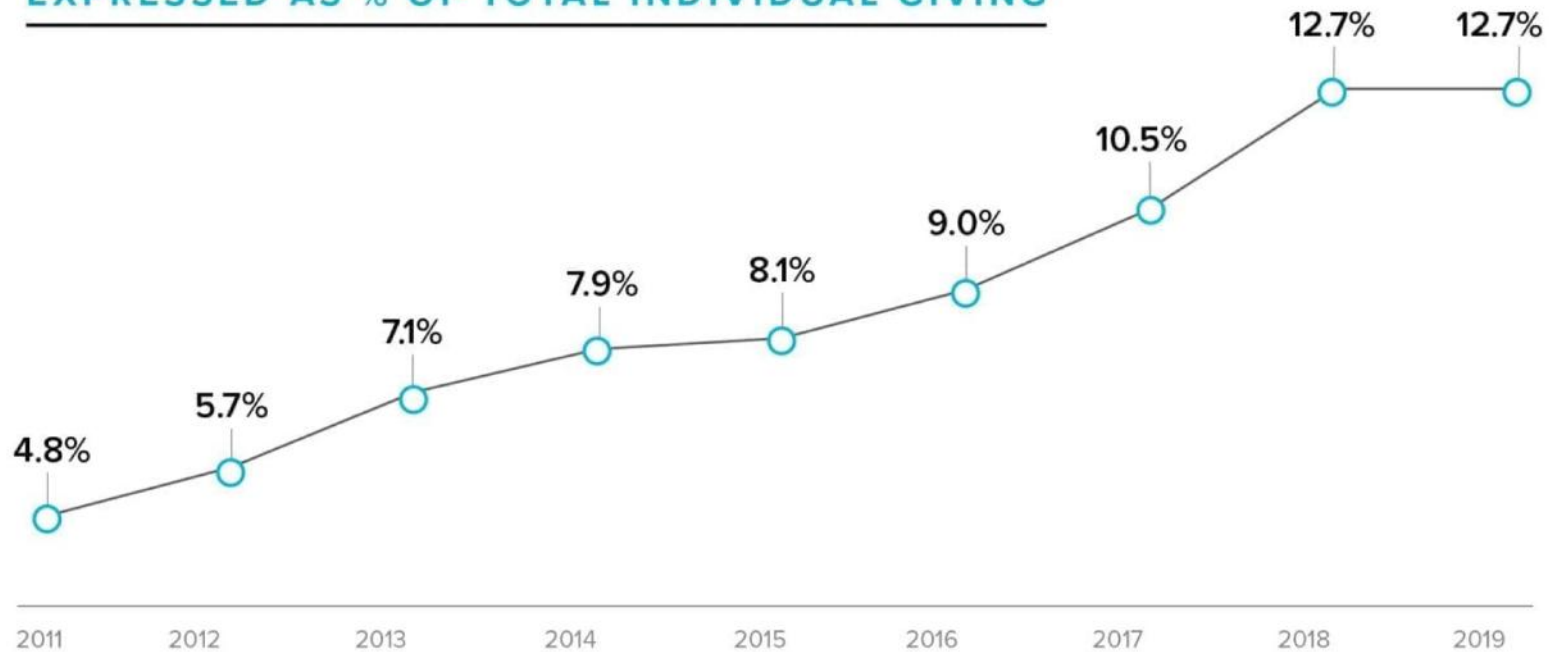
Donor Advised Fund Background

- First donor advised fund created in 1931 by New York Community Trust.
- With 1969 Tax Reform, DAFs are classified as a public charity (501(c)3). They are eligible for a more favorable tax treatment than a private foundation. However still not codified into law until the 2006 Pension Protection Act.
- Have tripled in size in the last decade with the ease of technology, growth of commercial funds with small thresholds for funding, and both proposed and enacted changes to tax law.



Donor Advised Fund Growth

**CONTRIBUTIONS TO DAFS
EXPRESSED AS % OF TOTAL INDIVIDUAL GIVING**

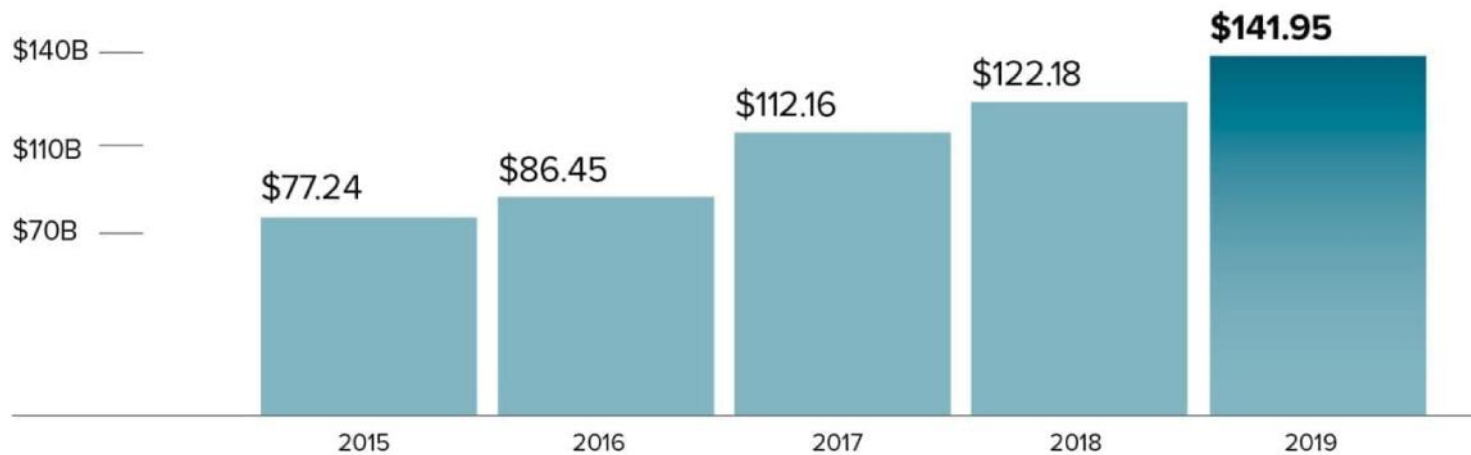




Donor Advised Fund Growth

FIGURE 3: Total Assets in Donor-Advised Funds (\$B)


 National Philanthropic Trust
2020 DONOR-ADVISED FUND REPORT

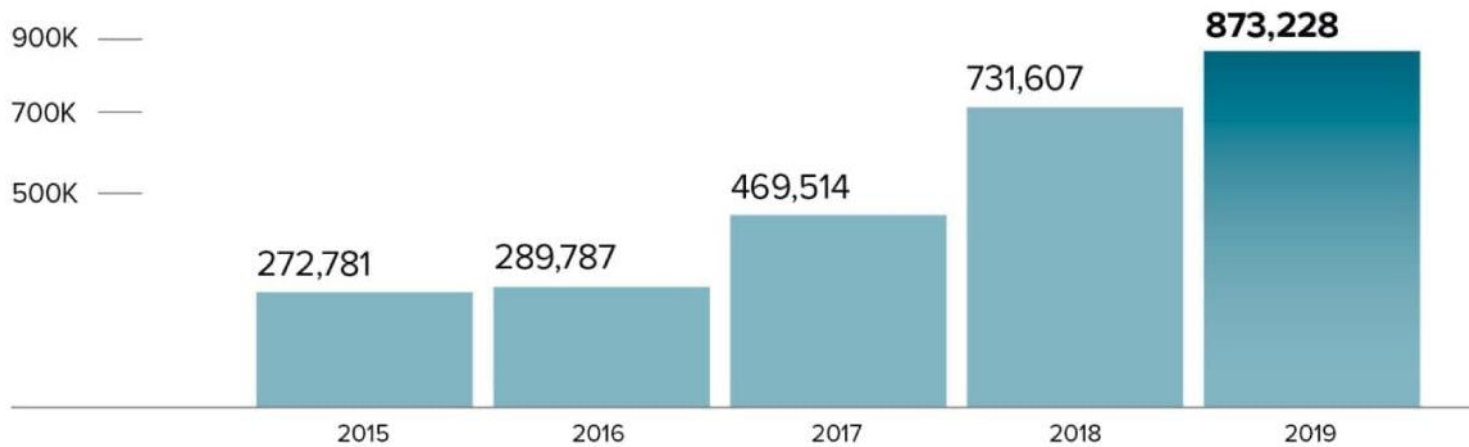




Donor Advised Fund Growth

FIGURE 4: Total Number of Donor-Advised Fund Accounts

 National Philanthropic Trust
2020 DONOR-ADVISED FUND REPORT





Fred Hutch DAF Task Force





Fred Hutch DAF Task Force – Sample Agenda

AGENDA

November 13, 2019



DAF Task Force

1. Share DAF language on fall mailing insert for PGOs
2. Share DAF language suggested for Gala and used for talking points
3. Share DAF acknowledgement letter
4. Working on DAF/Stock/IRA Rollover Brochure
5. Check in regarding DAF Coding
6. Some fun DAF facts from Renee's webinar



Compliance Issues: IRS Issued DAF Notice 2017-73

- No benefits providing more than incidental (rather than insubstantial) benefit
- No gift splitting
- Initial thinking is it permissible to satisfy a personal pledge under certain circumstances – may rely on Notice for this provision



Tracking

☰ | Raiser's Edge NXT | Home | Fundraising ▾ | Events | Lists ▾ |
 🔍 | 🔔 | 📄 | RK

\$100.00 one-time gift from Fidelity Charitable Gift Fund on 5/11/2021

Batch number: 1888

Comment:

Do not acknowledge
 Acknowledge
Not posted 5/12/2021
 GL post status
Do not receipt
 Receipt

Payment information

Payment method **Cash** 📄
 Reference number *No reference number found*
 Reference date *No reference date found*

Gift and marketing codes

Internal coding
 Gift ID *None found*
 Gift code **DAF**
 Constituency **Donor Advised Fund**

Soft credits

No soft credits found

Marketing
 Marketing source code *None found*
 Mailing ID *None found*
 Finder number *None found*



Tracking

YOUR CONTRIBUTION DETAILS:

YOUR CONTRIBUTION DETAILS:

Gift Date: 11/5/2019

Gift Amount: \$20,000.00

Gift Designation: Unrestricted

Gift Source: DAF through Fidelity Charitable

Fred Hutchinson Cancer Research Center is a charitable, tax-exempt organization under Section 501(c)3 of the Internal Revenue Code. Fred Hutch has not provided any goods or services in return for your contribution.



Is this Gift from a DAF?

Probably YES

- Community Foundation
- Has "charitable" in title – Fidelity Charitable, Charles Schwab Charitable, Vanguard Charitable
- The "foundation" is administered by a Community Foundation

Probably NOT

- Gift is from a financial entity – bank, wealth management firm, etc.
- Gifts from family foundations (usually a quick google search will yield a tax ID number to confirm if it is a stand-alone foundation)



Is this Gift from a QCD?

Probably YES

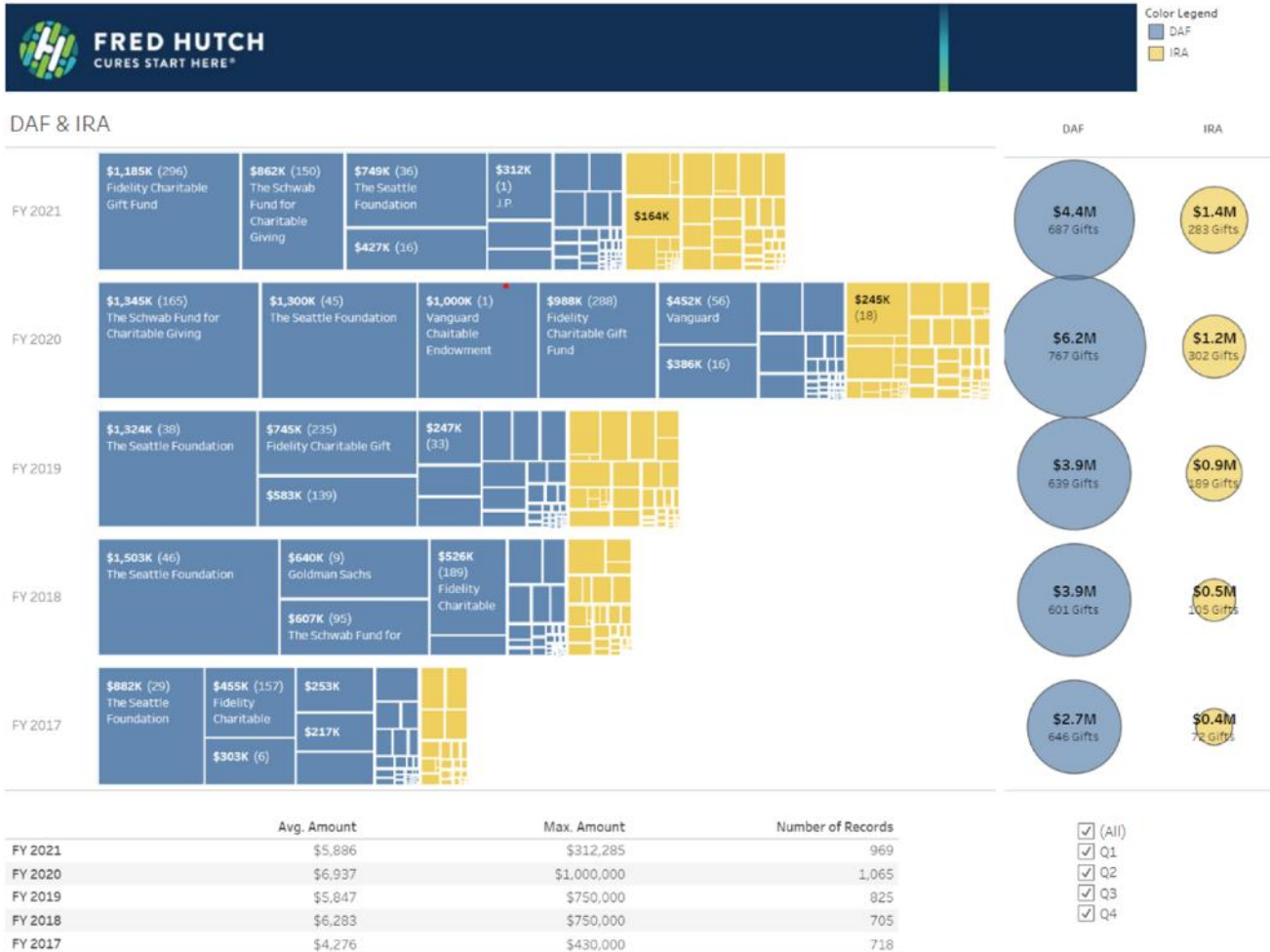
- Donor is over 70 ½ years of age
- Gift is from a financial entity that administers retirement plans
- Looks like a personal check, but from an IRA Account or accompanied by a personal note stating it is from an IRA

Definitely NOT

- Donor is younger than 70 ½
- Gift is from a charitable organization



Tracking





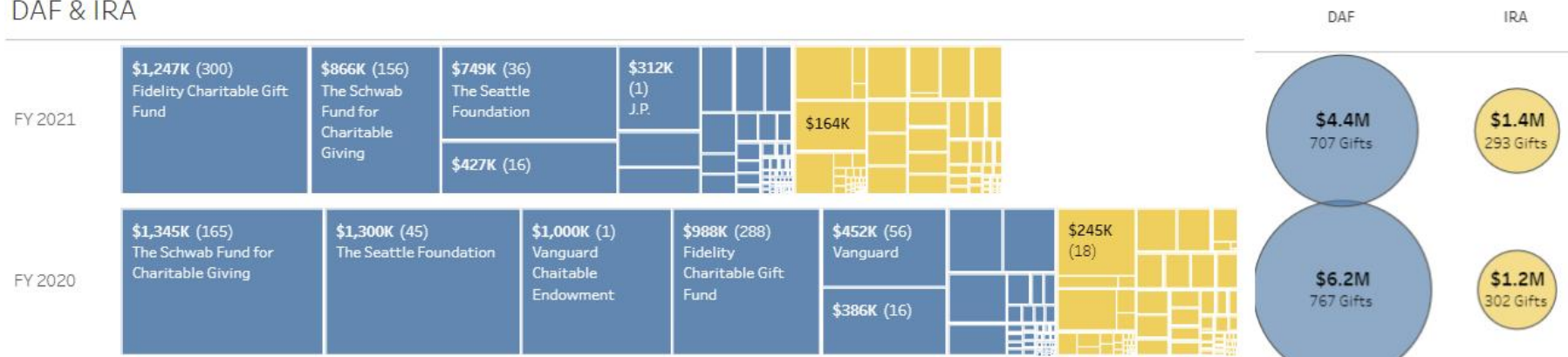
Tracking



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Color Legend
■ DAF
■ IRA

DAF & IRA





Marketing



Would you like to pay for
your Help the Hutch
donation with a **donor
advised fund, stock, or
IRA Charitable Rollover?**

Just let us know!

THANK YOU





Marketing



YOUR INFORMATION

Name(s) _____

Address _____

City/State _____

Zip _____ Phone _____

Email _____

- Please contact me about my gift payment options (Donor Advised Fund, Stock, IRA Rollover)
- I have included Fred Hutch in my will or trust

IMPACTFUL GIVING

\$10,000 \$5,000 \$2,500

Other _____

Please charge my: VISA Discover

MasterCard American Express

Name on Card _____

Card # _____

Exp. Date _____ CVV# _____

Signature _____



Outreach to DAF Sponsoring Organizations





DAF Task Force 2.0



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DONATE NOW

Why Your Gift Matters

Give Now

Honor a Loved One

Give Through Your Will

Give Through Your Donor Advised Fund

Give Through Your Foundation

Make a Corporate Gift

Create an Endowment

Join a Gift Club

Fundraise for Fred Hutch

Log In to Your Fundraiser

Attend a Virtual Event

Support Our Science

Greatest Need and Impact

Cancer Research

COVID-19 Research

Immunotherapy, Data Science, and the Steam Plant

Diversity, Equity and Reduction of Health Disparities

Fearless Science Needs Us

Other Ways to Give

Give Monthly

Donate Stock

Give at Work

Donate Your Vehicle

Contact Philanthropy



DAF Task Force 2.0



Give from your
donor-advised fund:

GO »

By using this search tool, you agree to the
[Terms of Service and Privacy Policy](#).

[Don't see your fund? Let us know.](#)



DAF Task Force 2.0

Turn your commitment into action at Fred Hutch with your donor advised fund.

Dear [First Name],

Research is moving faster than ever, and you can fuel our progress toward cures and treatments for our loved ones and community members who face cancer and other diseases.

When you make a gift through your [donor advised fund](#) you make several things happen:

- You give researchers opportunities to take risks that can lead to breakthrough discoveries and lifesaving treatments.
- You empower and stand with patients and their families who are facing life threatening diseases.
- **You have TWICE the impact with a matched donation from our IMPACT employee giving campaign when you give before June 30!**

[LEARN MORE](#)

Do you want to see how you can [make a difference](#) with your donor advised fund or [how to make a grant recommendation](#) today?

Visit us [online](#) to see how giving from a donor advised fund benefits you and helps our researchers fast-track discoveries that will lead to new treatments and cures for cancer, HIV, and related diseases. And remember, your gift will be matched if you recommend a grant before June 30.

Thank you for all you do!

Sincerely,



Renee Kurdzos
Executive Director, Planned Giving
206.667.6627 | plannedgiving@fredhutch.org

P.S. Did you know **you can drive lifesaving cancer research for future generations** by making Fred Hutch a beneficiary of your donor advised fund? [Learn more here!](#)



DAF Task Force 2.0





DAF Task Force 2.0





White Label DAFs

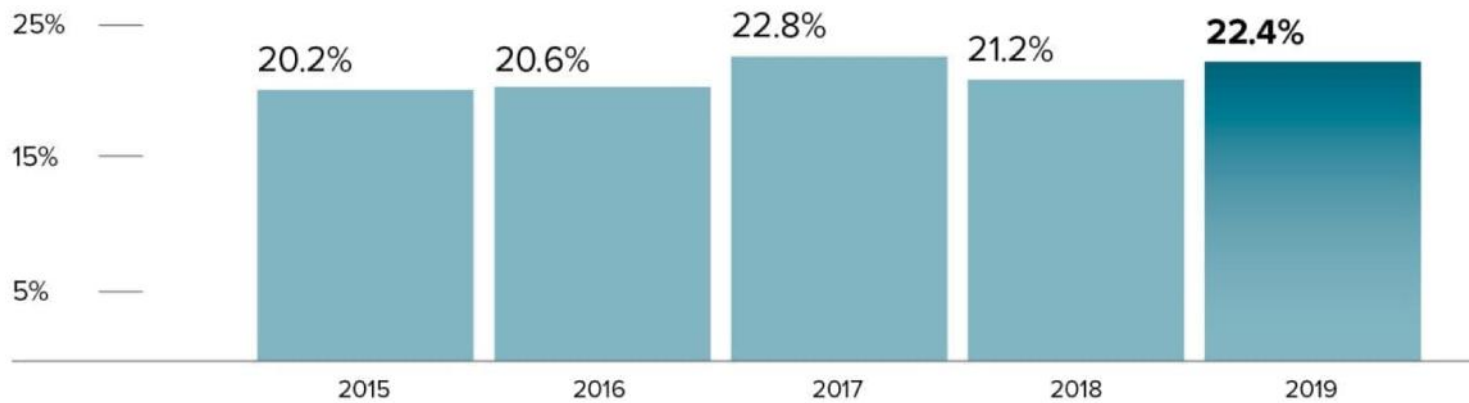




Donor Advised Fund Average Payout

FIGURE 5: Annual Payout Rate, Total for all Donor-Advised Funds

 National Philanthropic Trust
2020 DONOR-ADVISED FUND REPORT





Are DAFs Equitable?

CON

- There is no minimum payout
- Private Foundations can distribute their 5% minimum payouts to a DAF
- Donors can be anonymous
- Tax deduction occurs at transfer, not when an operating charity receives the gift

PRO

- Average payout rate is 4 times the minimum payout of a private foundation
- DAF sponsors have the power to restrict which charities receive DAF funds, and should be encouraged to review charities more thoroughly
- DAF accounts have increased the number of charitable conversations between advisors and clients



Questions?





Still Have a Question?

Contact: Renee Kurdzos

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Phone: 206-409-0837