



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

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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

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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.

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What is a Donor Advised Fund?

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    graph LR
      YOU[YOU] -- "Give cash or property now" --> DAF[DONOR ADVISED FUND]
      DAF -- "Recommend grant money to a nonprofit when you are ready" --> NP[A NONPROFIT]
      DAF -- "Receive income tax deduction immediately" --> YOU
  
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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.

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Donor Advised Fund Growth

CONTRIBUTIONS TO DAFs EXPRESSED AS % OF TOTAL INDIVIDUAL GIVING

Year	Percentage of Total Individual Giving
2009	4.8%
2010	5.7%
2011	7.1%
2012	7.9%
2013	8.1%
2014	9.0%
2015	10.5%
2016	12.7%
2017	12.7%
2018	12.7%
2019	12.7%

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Fred Hutch DAF Task Force – Sample Agenda

AGENDA
November 13, 2019



DAF Task Force

1. Share DAF language on fall mailing insert for PGUs
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

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Compliance Issues: IRS Issued DAF Notice 2017-73

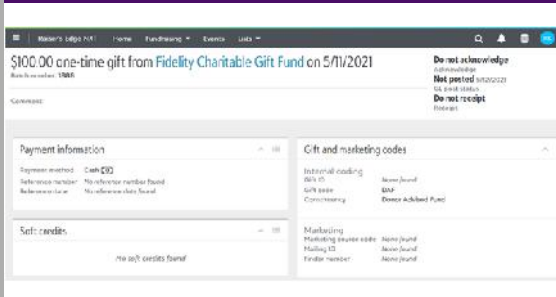
- No benefits providing more than incidental (rather than insubstantial) benefit
- No gift splitting
- Initial thinking is it permissible to satisfy a personal pledge under certain circumstances – may rely on Notice for this provision

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Tracking



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

Do not acknowledge
Do not postcard
Do not receipt

Payment information	Gift and marketing codes
<p>Payment method: Cash/CD</p> <p>Reference number: No reference number found</p> <p>Reference code: No reference code found</p>	<p>Individual coding: None found</p> <p>Gift type: DAF</p> <p>Commentary: Donor advised Fund</p>
<p>Self-needs: No self credits found</p>	<p>Marketing</p> <p>Marketing source code: None found</p> <p>Mailing ID: None found</p> <p>Transfer number: None found</p>

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Tracking

Category	Amount	Number of Donors	Number of Gifts
Total amount	\$1,000,000	1,000	1,000
Total number of donors		1,000	
Total number of gifts			1,000
Total number of gifts over \$100			100
Total number of gifts over \$500			50

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Tracking

Category	Amount	Number of Donors	Number of Gifts
Total amount	\$1,000,000	1,000	1,000
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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

FRED HUTCH CHARITABLE TRUST

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DAF Task Force 2.0

Give from your donor-advised fund:

Enter donor-advised fund name

GO >

By using this search tool, you agree to the Terms of Service and Privacy Policy.

Don't see your fund? Let us know.

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DAF Task Force 2.0

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

How? (Don't Worry)

PROSPECTS is making donor advice easier and you can fund our progress toward cures and treatments for our loved ones and community members who face various kinds of cancers.

When you make a gift through your donor advised fund, you make several things happen:

- You give your generous contribution to Fred Hutch that can lead to breakthrough treatments and bringing you closer.
- You automatically align with patients and their families who are facing life threatening diseases.
- You have PROSPECTS the impact with a matched donation from our SURVIVE™ end-to-end digital campaign when you give before June 30!

Do you wonder how you can make a difference with your donor advised fund or how to make a small, easy-to-manage donation?

We're excited to see how going from a donor advised fund benefits you and helps our researchers find breakthroughs that will lead to new treatments and care for breast, HIV, and childhood diseases. At all times, you'll be matched if you recommend a gift before June 30.

Thank you for all you do!

Renee Kurdzios
Executive Director, Planned Giving
206.687.6677 | rkurdzios@fredhutch.org

PS: Did you know you can drive **transforming cancer research** for future generations by making Fred Hutch a beneficiary of your donor advised fund? Learn more here!

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DAF Task Force 2.0



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DAF Task Force 2.0




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White Label DAFs



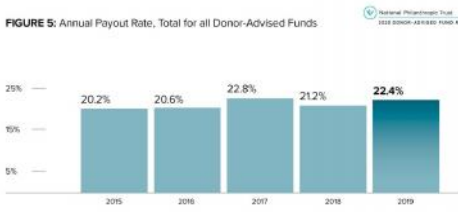
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Donor Advised Fund Average Payout

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



Year	Annual Payout Rate
2015	20.2%
2016	20.6%
2017	22.8%
2018	21.2%
2019	22.4%

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Are DAFs Equitable?

<p>CON</p> <ul style="list-style-type: none"> • 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 	<p>PRO</p> <ul style="list-style-type: none"> • 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
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Questions?



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Still Have a Question?

Contact: Renee Kurdzos
 Email: rkurdzos@fredhutch.org
 Phone: 206-409-0837

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