



YOUR
PARTNER
IN PLANNED
GIVING
SUCCESS

Because That's Where the Money Is: Attracting Gifts from Donor Advised Funds



Date: March 28, 2024
Time: 1:00 – 2:00 ET
Presenters: Gary Pforzheimer
President
PG Calc

Renee Kurdzos
Director of Gift Planning, Fundraising
The Nature Conservancy



YOUR
PARTNER
IN PLANNED
GIVING
SUCCESS

Agenda

- What is a Donor Advised Fund?
- Politics and DAFs
- Fred Hutch DAF Task Force
- Tracking DAF gifts to your organization
- Marketing
- Outreach to DAF sponsoring organizations
- White label DAFs
- Questions



YOUR
PARTNER
IN PLANNED
GIVING
SUCCESS

What is a Donor Advised Fund?

In accordance with section 4966(d)(2)(A), a DAF:

- (1) is separately identified by reference to contributions of a donor or donors,
- (2) is owned and controlled by a sponsoring organization, and
- (3) donor or donor-advisor has, or reasonably expects to have, advisory privileges with respect to the distribution or investment of amounts held in such fund or account by reason of the donor's status as a donor.

Put another way . . .

It's a shared pool of money that has to go to charity one day from which a donor can recommend grants with minimum fuss or mess.

Donor Advised Funds vs. Private Foundations

A DAF is a fund inside a public charity, a “sponsoring organization,” ...

A donor to a DAF enjoys higher deduction limits than a donor to a private foundation, ...

while a private foundation is its own separate legal entity with separate control structures and separate rules.

while a private foundation can do certain things that a DAF can't, such as make grants to individuals and pay reasonable and necessary compensation to related parties for legal, investment and other professional services.



YOUR
PARTNER
IN PLANNED
GIVING
SUCCESS

Some DAF Statistics

\$52.16 billion

Grants in 2022, up 9% from 2021

\$85.53 billion

Contributions to donor advised funds in 2022, up 9% from 2021

2.9%

Increase in number of donor advised fund accounts from 2021

\$117,466

Average size of an individual donor advised fund in 2022

20+%

Annual grant payout rate for every year on record

\$228.89 billion

Charitable assets in donor advised funds in 2022, down 1.1% from 2021

6 Source: National Philanthropic Trust, The 2023 DAF Report.

 BNY MELLON | WEALTH MANAGEMENT

Is Warehousing Charitable Assets Bad?

- DAFs, Private Foundations, and Charitable Endowments are really the same in terms of a delay in “real” charitable use. Is one more politically, correct?
- But what’s better?
 - ✓ Granting a \$10,000 scholarship to one student/year in perpetuity, or to each of 25 students one time.
 - ✓ Building a building, or having the funds to maintain it over time.
 - ✓ Spending everything now, or having a Rainy Day Fund (for political unrest/war, economic downturns, a pandemic, etc.).
 - ✓ Research funds used all now or available to study future diseases.



IRS issued proposed DAF regulations in November 2023:

- “Separately identified” rule may cause funds not previously considered DAFs — such as field-of-interest funds and memorial funds — to be treated as DAFs. Consequences would include:
 - ✓ Gifts to individuals no longer allowed
 - ✓ Deductions jeopardized if acknowledgement letters lack special DAF terms
 - ✓ Can’t receive QCDs
- To avoid “impermissible use,” it may become important for each grantee to agree in writing, at the time of the grant, that it won’t consult with any donor, donor advisor, family member, or other related party regarding the grant.

IRS proposed DAF regulations, continued . . .

- Bring your own advisor will be allowed, if the advisor doesn't charge a fee or advises the DAF sponsor generally. Otherwise, advisor subject to 25% penalty tax and any knowing organization manager to a 10% penalty tax.
- If the final regulations are retroactive to the beginning of the year they're issued, as proposed, it would be dramatic (and unusual).
- Anyone's guess when final regulations will be issued.
- IRS expects to propose more DAF regulations. Timeline unknown.

Fred Hutch DAF Task Force

- Created in 2018 at Fred Hutch
- Coordinated DAF outreach and marketing
- Created tracking report for better awareness
- Strengthened processing and acknowledgement SOPs





YOUR PARTNER
IN PLANNED
GIVING
SUCCESS

Tracking DAF Gifts to Your Organization

Navigation: Raiser's Edge NXT | Home | Fundraising | Events | Lists

\$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



YOUR
PARTNER
IN PLANNED
GIVING
SUCCESS

Tracking DAF Gifts to Your Organization

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.

DAF, IRA, Stock Revenue driven by PGIV Team

	FY 2021		FY 2022		FY 2023	
Donor Advised Funds	6%	\$4,656,727.09	7%	\$5,852,788.14	7%	\$5,322,349.78
IRA Charitable Rollover / QCD	2%	\$1,684,398.72	3%	\$2,019,304.06	4%	\$3,246,910.85
Stock	11%	\$9,188,417.22	4%	\$3,258,673.04	8%	\$5,959,913.23
All Other	81%	\$64,479,134.55	86%	\$67,732,235.76	80%	\$58,733,236.42

■ Donor Advised Funds ■ IRA Charitable Rollover / QCD ■ Stock



Donor Advised Funds (DAF)

A donor advised fund or DAF, is a giving account 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.

IRA Charitable Rollover

An IRA Charitable Rollover or Qualified Charitable Distribution (QCD) is a direct transfer of funds from your IRA custodian, payable to a qualified charity. Donor must be 70 1/2 years of age to use.

Stock

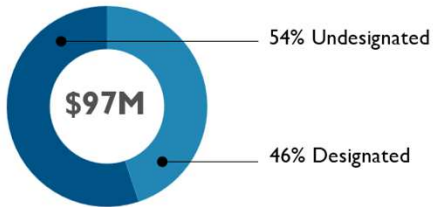
Donation of a publicly traded security.

All Other

All other gifts to Philanthropy (accrual)

FY24 Q2 Results Highlights

Realized Planned Gifts



Digital Events
1,128 donors

Personalized Stewardship
1,416 households

Trips, Field Trips, Events
217 attendees

Countable Deferred Commitments
\$92M

Stock Gifts
\$26M

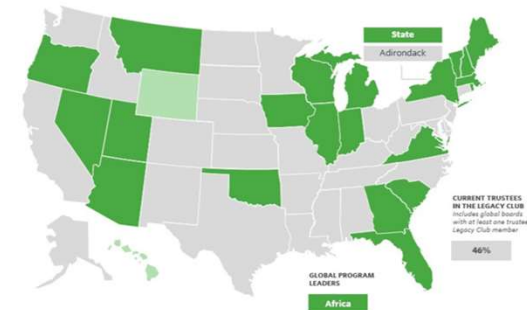
TNC DAF Gifts
\$872K

Revocable, Complex & Life Income Inquiries
1,933

Loyal Donor Outreach
3,835 donors

New Legacy Commitments
880

24 Trustee Legacy Leaders





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 _____



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



[View as webpage](#)

Here are three ways to turn your appreciated assets into appreciation for Fred Hutch:

- **Stock:** When you support Fred Hutch's lifesaving research with a gift of stock or securities, you can avoid capital gains tax on the asset's appreciated value. [Follow this link](#) to our stock donator or [learn more here](#).
- **Bitcoin:** Fuel fearless science by donating Bitcoin or other cryptocurrency. Like gifts of stock, giving crypto assets can allow you to avoid capital gains tax and qualify for a tax deduction based on the donation's market value. To learn more about our process, contact plannedgiving@fredhutch.org.
- **Donor-advised fund:** A gift from your donor-advised fund is a powerful way to accelerate science at Fred Hutch. And like your stock and Bitcoin portfolios, the value of your donor-advised fund probably increased this year! **Give now from your Donor Advised Fund.**

Have questions about how to donate your appreciated assets to Fred Hutch before December 31, 2020? Please contact us at 206.667.3396 or at plannedgiving@fredhutch.org.



YOUR PARTNER
IN PLANNED
GIVING
SUCCESS

Marketing

The screenshot shows the Fred Hutch Cancer Center website. At the top left is the logo with the text "Fred Hutch Cancer Center". To the right are two buttons: "Give From Your Donor Advised Fund" (highlighted with an orange border) and "Donate Now". Below the logo is a navigation menu with items: "Planned Giving Home", "Your Impact", "Giving", "Thomas Legacy Society", and "Contact Us". A search icon is also present. A modal window is open in the center with the following content:

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.



YOUR PARTNER
IN PLANNED
GIVING
SUCCESS


Marketing



MAKE A DISTRIBUTION

CAN IT WORK FOR YOU?

TNC'S DAF



[What is this?](#)

.....

Donate now from:

Designation:

Amount:

Outreach to DAF Sponsoring Organizations





YOUR
PARTNER
IN PLANNED
GIVING
SUCCESS

White Label DAFs



WHAT WE DO ▾ ABOUT US ▾ GET INVOLVED ▾ MEMBERSHIP & GIVING ▾

MAKE A DISTRIBUTION

CAN IT WORK FOR YOU?

TNC'S DAF

The Nature Conservancy's Donor-Advised Fund

Have you considered establishing a private foundation, but are concerned about the ongoing fees and administrative expenses? There is a convenient alternative.

Designed for conservation-minded individuals, our donor-advised fund gives you and your family the flexibility to support TNC and other charities.

With a fully deductible gift of \$100,000 or more in cash, appreciated securities or even real estate, you can create your own fund. You then recommend distributions from your fund to Conservancy programs and other qualified charitable organizations on your own timeline—no more year-end rush.



YOUR
PARTNER
IN PLANNED
GIVING
SUCCESS

White Label DAFs

TNC's DAF program

- Established in 2002
- 46 funds valued at \$60M
- \$100,000 minimum
- 5% annual distribution required
- Managed by one TNC staff member
- 20% required to be given to TNC over the life of the fund



YOUR
PARTNER
IN PLANNED
GIVING
SUCCESS

Questions?



Click the Q&A icon at the bottom of your screen.



YOUR
PARTNER
IN PLANNED
GIVING
SUCCESS

Still Have a Question?

Contact: Gary Pforzheimer

E-mail: gary@pgcalc.com

Contact: Renee Kurdzos

E-mail: renee.kurdzos@tnc.org