



PG Calc 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

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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

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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.

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Donor Advised Funds vs. Private Foundations

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

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

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

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.

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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


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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.



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Will Proposed Regulations Change Everything?

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.

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Will Proposed Regulations Change Everything?

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.


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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



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Tracking DAF Gifts to Your Organization

FY24 Q2 Results Highlights

- Realized Planned Gifts**
 - \$97M
 - 34% Undisputed
 - 45% Disputed
- Countable Deferred Commitments**
 - \$92M
- Stock Gifts**
 - \$26M
- TNC DAF Gifts**
 - \$872K
- Revolvable, Complex & Life Income Inquiries**
 - 1,933
- Loyal Donor Outreach**
 - 3,835 donors
- New Legacy Commitments**
 - 880
- 24 Trustee Legacy Leaders**

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CURES START HERE

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 _____

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HUTCH HOLIDAY GALA

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

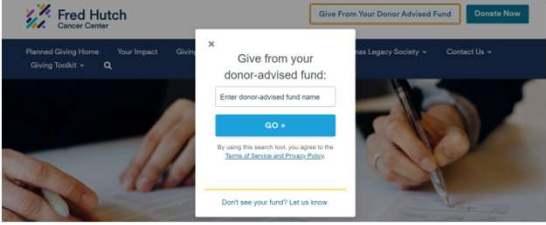
- **Stock:** When you support Fred Hutch's lifesaving research with a gift of stock or securities, you can avoid capital gains tax on the asset's appreciated value. Follow this link to our stock donor or learn more here.
- **Bitcoin:** Fuel fearless science by donating Bitcoin or other cryptocurrency. Like gifts of stock, giving crypto assets can allow you to avoid capital gains tax and qualify for a tax deduction based on the donor'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 portfolio, 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, 2023? Please contact us at 206.667.3396 or at plannedgiving@fredhutch.org.

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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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The Nature Conservancy

MAKE A DISTRIBUTION CAN IT WORK FOR YOU? TIC'S DAF



DAFDIRECT. Directly connecting donors to charitable causes.

What is this?

Donate now from:

Phone: (800) 452-4673

Designation:

Amount:

\$

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Outreach to DAF Sponsoring Organizations

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White Label DAFs

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.

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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

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Questions?



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

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Still Have a Question?

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