

A family tradition built on giving

Donor Advised Funds at the Delaware Community Foundation



A Donor Advised Fund is a convenient, low cost and flexible way to simplify your charitable giving. It provides many of the advantages of a private foundation, but with smaller asset requirements and without the costly and time consuming administrative responsibilities. You and the advisors you select can be actively involved in grantmaking to the charitable organizations you care about most. Gifts to the fund qualify for an immediate tax deduction, but you can schedule grantmaking as you choose and for the impact you wish.

Your Role

You create and name a Donor Advised Fund with a gift of cash, securities or other property valued at \$10,000 or more. You'll receive an income tax deduction at the time the gift is made. Going forward, you'll be able to recommend grants from your fund to local, regional or even national charities (a minimum of \$250 is suggested). And, you may add to your fund at any time.

The Role of the Delaware Community Foundation

The Delaware Community Foundation handles all administrative requirements for the fund, allowing you to focus on your philanthropy. We will manage the fund assets, oversee the fund's investment and issue quarterly financial reports on the status of the fund. The Foundation will work with you to publicize your fund according to your wishes. We also provide the services of our professional staff to help you make funding decisions and process your gift recommendations, and send checks to the benefiting organizations either in your name or anonymously. We may also help you increase the fund with a gift through your estate plans, if you desire.

All funds are charged fees based on the DCF's Fee Schedule.

As a DCF Board member and a managing partner at the accounting firm McBride Shopa, Tom Shopa understands the personal and tax benefits to clients of starting a fund at the DCF—an idea he often shares with his peers. Just before the end of 2004, Tom took his own advice and used appreciated stock to start the Shopa Family Foundation Fund. When Tom's mother passed away in 2006, he suggested donations in her memory to the fund.

Tom also sees an additional benefit to this donor advised fund. He considers it to be the family trust for his four children, Nick, Tim, TJ and Cara, and his late sister's children, Steven and Sandy. He views it as a way to help these young adults learn, in a hands-on way, what giving is all about. Tom wants each of them to have the opportunity to support the charities, schools and community groups that are most important to them.

Points to consider	Donor advised Fund	Private Foundation
Legal identity	Component fund of DCF	Separate nonprofit entity
Tax status	Public charity	Private foundation
Tax on investment income	None	2% annually
Payout requirement	None	Grants must equal 5% of fund balance annually
Deductibility of gifts	Deductible up to 50% of adjusted gross income; gifts of appreciated property deductible (up to 30% of AGI) at fair market value	Deductible up to 30% of adjusted gross income; gifts of appreciated property deductible (up to 20% AGI) at cost basis—except publicly traded stock deductible at fair market value
Administration	All record keeping and accounting carried out by DCF	Detailed annual filing with IRS
Grantmaking expertise	DCF assistance to review and monitor proposals	Your foundation trustees and professional staff, if any (unusual for a small foundation)
Investment management	Various options including DCF's pooled investment portfolio as well as our Charitable Fund Partners Program*	Investment management responsibility rests with the private foundation
Control	Designated representatives may make recommendations about but not control assets or charitable distributions	Your foundation's trustees have complete control of distributions and responsibilities for asset management
Cost	No cost to establish; modest administrative fee depends on size of fund	\$ _____ Fill in your annual operating costs—include legal and accounting fees, insurance, office space, staff and miscellaneous expenses

*The Delaware Community Foundation Charitable Fund Partners Program creates a value added partnership between financial advisors and the DCF. The program enables financial advisors to keep a client's assets under management while making it possible for the client to have a charitable fund at the DCF. The client and financial advisor benefit from the DCF's local expertise, personalized service, community leadership and charitable gift planning and services.

For more than twenty years, the Delaware Community Foundation has been connecting people who care to the causes they care about. We manage charitable funds for individuals, families, businesses and organizations, and distribute income from the funds as grants to humanitarian, educational, health and cultural organizations throughout the First State. To learn about how we can help you connect with the causes you care about, please call **302.571.8004** or visit **www.delcf.org**.

