

Advantages of Donor Advised Funds

EASY SETUP There are no complicated legal documents. A four page fill-in-the-blank form is typically all that is necessary for you to create a fund.

COST EFFICIENCY Administrative Fees vary by sponsor. HCF offers a tiered administration fee based on the fund size. Typically 1% charged to the fund on a quarterly basis. Investment management fees vary based on the investment program of your financial advisor.

SIMPLICITY Choose assets to create your fund, one tax receipt, decide later when to grant (allocate) to any U.S. charity throughout the country.

TAX BENEFITS

- An immediate and maximum income tax deduction subject to annual AGI limits on the type of assets contributed with five-year carryover.
- No capital gains tax on appreciated long-term assets contributed.
- No estate tax on DAF funds.
- Assets in the DAF grow tax-free.
- If you are subject to AMT, contributions to the DAF will reduce AMT liability.
- No excise taxes on investment income.
- Favorable tax strategies on contributions of S corporation securities.
- HCF offers alternative gifting strategies to reduce taxes on IRA Required Minimum Distributions (RMD).

FLEXIBILITY With a DAF, your tax deduction decision is separate from your grantmaking decision. There is no minimum annual grant distribution requirement as is true for private foundations. You can make grants on your own convenient timetable.

GRANTMAKING SUPPORT Our professional staff can assist with charities you choose for grants.

DONOR RECOGNITION We provide your personal charitable fund letterhead stationery.

VISIBILITY CHOICE You can choose to give anonymously or with full recognition.

LEGACY OF FAMILY PHILANTHROPY A fund that is set up and managed as an endowment will continue grantmaking in perpetuity.

EDUCATIONAL BENEFITS Funds that involve both parents and children in grantmaking can be a rich training ground to pass on family values and establish a tradition of family philanthropy.

EASY DECISION-MAKING PROCESS The donor is involved in all decision making, unlike a private foundation whose board must be consulted, which can be a time-consuming process.

BEQUEST ALTERNATIVE A straight bequest to your favorite charity is always an option, but a fund with HCF offers you and your family the flexibility of an ongoing legacy.

PRIVATE FOUNDATION CONTRIBUTIONS Private foundations must distribute five percent of assets yearly and, if they have not decided on a specific charity, they could give the five percent to a DAF for later decision making.

Ready to hear more? Give us a call for a personal conversation! (330) 655-3580

