

## No Kid Hungry DAF Reference Guide

### What is a donor-advised fund?

A donor-advised fund (DAF) provides donors with a centralized charitable giving vehicle. It allows philanthropically inclined individuals, families, and corporations to make an irrevocable charitable gift to a public charity that sponsors a DAF program and take an immediate tax deduction. Most sponsoring organizations of DAFs accept cash equivalents, securities, and certain other assets.

### How does it work?

- ♦ Establish your DAF by making an irrevocable, tax-deductible donation to a public charity that sponsors a DAF program.
- ♦ Advise the investment allocation of the donated assets (any investment growth is tax-free).
- ♦ Recommend grants to qualified public charities of your choice.

### Main advantages of a donor-advised fund

- ♦ **Simplicity**—The DAF sponsor handles all recordkeeping, disbursements, and tax receipts.
- ♦ **Flexibility**—Timing of your tax deduction can be separate from your charitable decision making.
- ♦ **Tax efficiency**—Contributions are tax-deductible, and any investment growth in the DAF is tax-free. It is also easy to donate long-term appreciated securities, eliminating capital gains taxes and allowing you to support several charities from one block of stock.
- ♦ **Family legacy**—A DAF is a powerful way to build or continue a tradition of family philanthropy.
- ♦ **No start-up costs**—There is no cost to establish a donor-advised fund. However, there are often minimum initial charitable contributions to establish the DAF (typically \$5,000 or more).\*
- ♦ **No transaction fees**—Once approved, 100% of your recommended grant goes to your qualified public charity of choice.\*
- ♦ **Privacy if desired**—Donors may choose to remain anonymous to the grant recipient.

\* Sponsoring organizations generally assess an administrative fee on the assets in a DAF. These fees vary by the charity that sponsors a DAF program.

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