



## Donor advised funds

Leverage a tax-advantaged strategy for thoughtful long-term giving

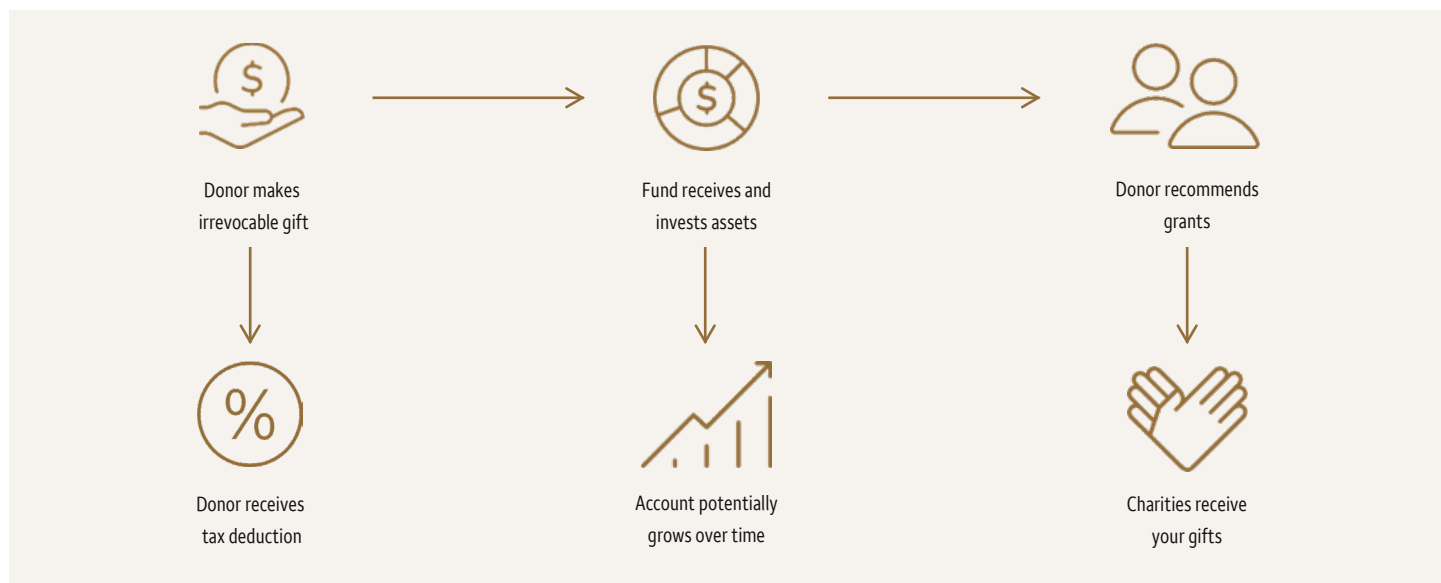
*Offered through Wells Fargo Bank, N.A.*

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Contributing to a donor advised fund offers a middle ground that appeals to many donors: it's more strategic than making annual charitable donations and it's less costly and time-consuming than starting a family foundation. With a donor advised approach, you can potentially reduce taxes today and simplify your charitable giving now and for generations to come.

A donor advised fund (DAF) allows you to transfer assets irrevocably to a qualified public charity, receive an immediate tax deduction (in most cases, up to the full fair market value), and then recommend grant distributions to one or more charitable organizations on your timetable. The flexibility of the arrangement reduces administrative burden and allows you to structure your gifts to meet your long-term goals.

## How does it work?



## Is a donor advised fund a good fit for your needs?

- Is philanthropy one of your objectives?
- Would you like the flexibility to grant funds to charitable organizations over time?
- Would you like to make additional charitable contributions in the future?
- Would you like to potentially grow the amount you have available for charitable causes?
- Do you want to create a charitable legacy and a family tradition of giving?
- Would you like to potentially reduce your taxes in the short term?

## Benefits of a donor advised fund

- You maintain flexibility with timing of your gifts to charity—an annual deadline does not apply.
- You can create a charitable legacy plan and engage the next generation of your family in a values-based giving strategy.

- You may be able to deduct charitable cash contributions of up to 60% of your adjusted gross income.
- You may deduct appreciated assets at fair market value.
- This approach removes donated assets from your gross estate, which may reduce or eliminate estate taxes.
- Fund assets have the potential to grow tax-free.

## Other considerations

- Contributing to a donor advised fund can be less costly than establishing and maintaining a family foundation.
- Administration and due diligence is handled by the charitable sponsor of the fund.
- Account fees and services can vary among donor advised fund programs.
- You retain advisory privileges, but the charity ultimately retains control of the assets.

# Options for funding

Donor advised funds offer flexibility in the types of assets you can contribute. Consulting with your advisor can help you understand the tax advantages of different types of contributions, and the long-term effect on your estate plan.

## Personal assets

- Cash and cash alternatives
- Appreciated securities
- Restricted stock
- Mutual funds
- Exchange-traded funds (ETFs)

## Donor advised fund as beneficiary designation

- Will
- Family trust
- Traditional IRA\*
- Retirement plan
- Life insurance policy
- Annuity
- Executive compensation plan

## Charitable giving vehicles

- Existing donor-advised fund account
- Charitable remainder trust (CRT)
- Charitable lead trust (CLT)
- Private foundation annual required distribution
- Terminating private foundation

## Complex assets

- Closely held business interest (LLC, LP, C-Corp, S-Corp)
- Real estate
- Master Limited Partnership (MLP)
- Hedge fund interest
- Private equity interest
- Tangible personal property
- Loan note



\*Excludes qualified charitable distributions (QCDs)

## DAF administration

When you contribute to a donor advised fund, you act as an advisor while a third-party charitable sponsor handles the administrative functions of operating the fund and processing grants. When choosing a donor advised fund administrator, consider:

- Account minimums
- Available investment options
- Ability to accept various types of gifts
- Fees charged on account
- Your ability to recommend grants to local, national, and international charities

## How we can help

When you work with Wells Fargo Bank Philanthropic Services to establish your donor advised fund through National Philanthropic Trust, you gain access to experienced and credentialed philanthropic specialists who can help you develop a comprehensive philanthropic plan that is both tax-efficient and maximizes your charitable impact. Additionally, as the largest independent provider of donor advised funds, National Philanthropic Trust offers the experience, resources, and flexibility to help you support the causes that are most important to you. Backed by this experience, you can create an effective strategy that meets your philanthropic goals.

## Discover more

To learn more about the benefits and potential tax advantages of creating a donor advised fund, please contact your advisor or philanthropic specialist.

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