

The “Other” Grantmakers Donor Advised Funds and Supporting Organizations

Northwest Planned Giving Roundtable
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and
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Outline

- Why gift planners should understand donor advised funds and supporting organizations
- Legal definitions and vocabulary
- Case studies
- Questions



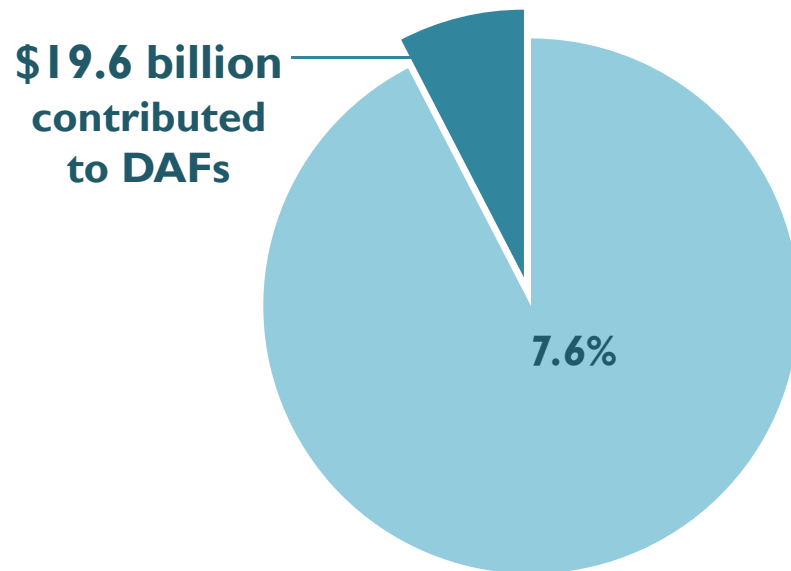
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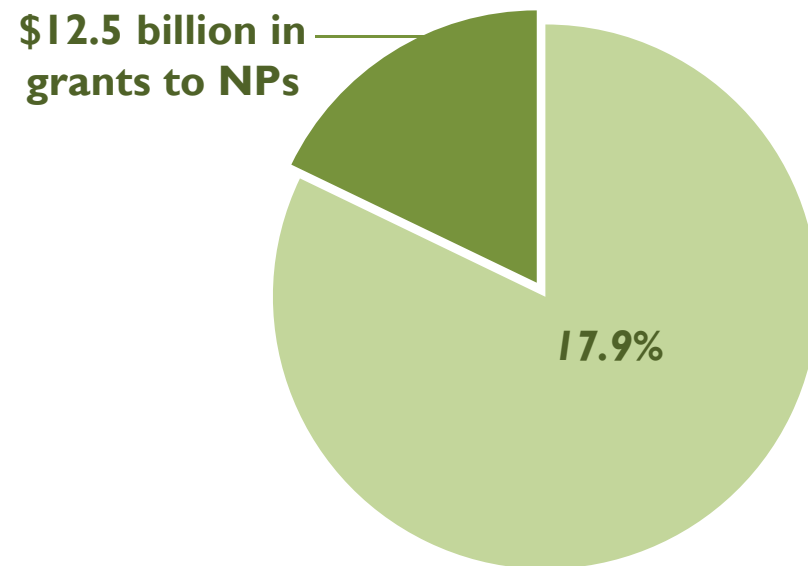
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Grants from DAFs*

**Total Charitable Funds Raised
2014 = \$258 billion**



**Total Assets Held in DAFs
2014 = \$70 billion**



* Data from National Philanthropic Trust's 2015 Donor-Advised Fund Report.



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Grants from Supporting Organizations

57,000
Supporting Organizations
in the U.S.

=

\$76
BILLION
IN TOTAL ASSETS

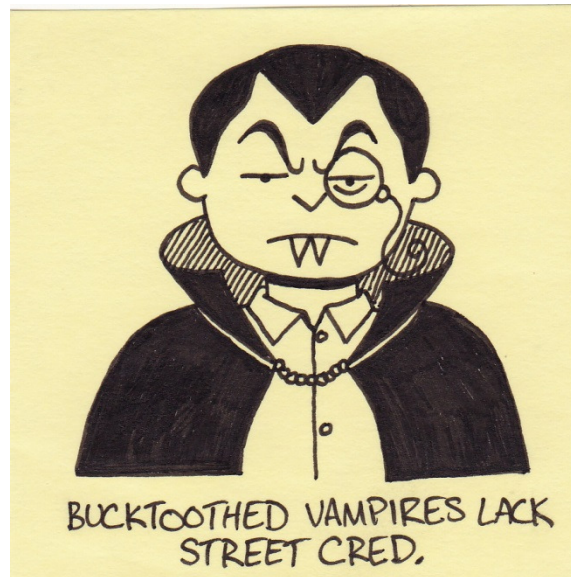


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DAFs and Supporting Organizations are vampires of the charitable world and suck away money that would otherwise be going to operating charities.



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DAFs in the News



MAKING SENSE

Column: The charitable funds that benefit rich donors and the financial industry



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“Donor-advised funds” give donors all of the tax benefits of charitable giving, but impose no obligation that the money be put to active charitable use.

The main beneficiaries of commercial DAFs are the financial industry and its wealthy clientele.



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DAFs and Supporting Organizations are Grantmakers



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Donor Advised Fund: A Relationship



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Donor Advised Fund Technical Definition

- a fund (or account);
- separately identified by reference to contributions of a donor or donors;
- owned and controlled by the sponsoring organization; and
- with respect to which a donor (or any person appointed by the donor) has, or reasonably expects to have, **advisory privileges** with respect to the **distribution** or **investment** of amounts held in the fund or account by reason of that person's status as a donor.



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Why do donors give to DAFs?

- It is.....



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Supporting Organization



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Supporting Organization Technical Points

- No donor control
- No compensation to “persons described”
- Must have board of directors with annual meetings



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Why do donors form SOs?



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Case Studies



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Our Donors



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Rumor

DAFs are stealing donations from hardworking charities

Corporate
Stock



Grantham Advised Fund
at the Downton
Community Foundation

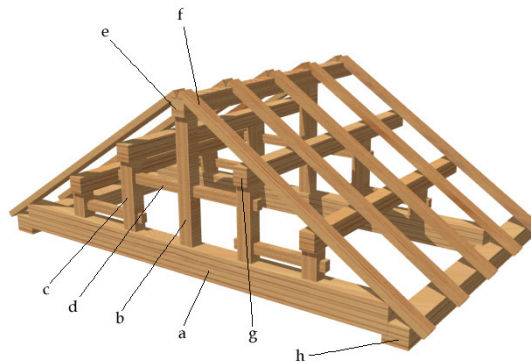


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- a. Swear profusely and spit in the eye of Downton Community Foundation.
- b. Continue cultivating the Granthams.
- c. All of the above.



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Gala Chicken Dinners



AND

Pledges



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- a. They cannot pay a personal pledge from the DAF.
- b. They cannot pay a personal pledge from the DAF.
- c. All of the above.



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Rumor

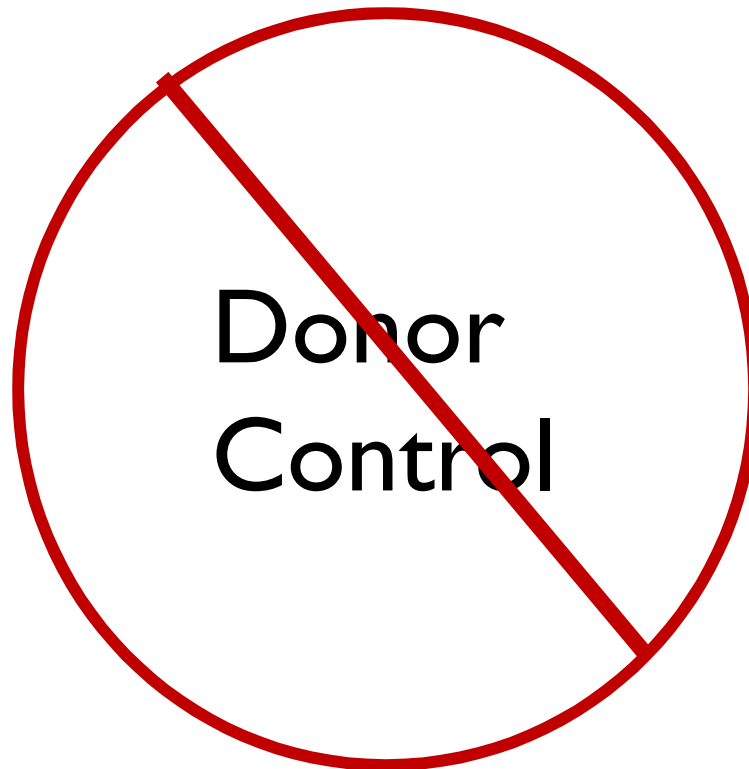
Donors can *require* the fund sponsor to make grants to specific grantees.



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Rumor

The DAF or the SO can hire a family member.



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Gift of Complex Asset

Closely held stock in
biotech pig cloning
company



??!



Another Complex Asset



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Questions?



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Thank you!

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