

DAFS: GREATER CHARITABLE IMPACT, FEWER HEADACHES

Still unclear about DAFs and how they fit into your service offerings? The following Frequently Asked Questions should help.

What is a DAF?

A DAF is an irrevocable fund that gives donors a tax-advantaged way to put their assets to work supporting charities and causes they believe in.

How do DAFs work?

A donor makes a gift to a sponsoring charity (Renaissance Charitable Foundation), which then establishes a DAF on the donor's behalf. The funds are invested, and the DAF's growth is used to support charitable organizations through grants. Once the fund is established, a donor can contribute to it as frequently as desired.

What tax advantages do DAFs offer?

A donor gets an immediate tax benefit for the initial contribution to a DAF and all subsequent donations. If the donor contributes capital-appreciated property (i.e. stocks, mutual funds or ETFs), the donor will avoid capital gains taxes when the charity sells the assets.

Why should a donor choose a DAF?

DAFs offer a variety of benefits, but the most frequent reasons for donating to a DAF include:

- making both an immediate and long-term impact for a cause or charity the donor believes in
- maintaining some influence over how funds are granted to charities
- passing on a legacy of giving
- reducing the impact of capital gains and other taxes

When is a DAF the right solution?

DAFs provide a sound giving solution in a wide range of scenarios, but they are especially helpful for donors facing a taxable event or considerable capital gains taxes, anticipating a major liquidity event (such as an inheritance, business liquidation or stock sale), wanting to create a legacy of giving, or simply wanting to give to multiple charities without having to deal with paperwork and record keeping.

Is Renaissance Charitable Foundation (RCF) a nonprofit?

Yes.

Is a DAF irrevocable?

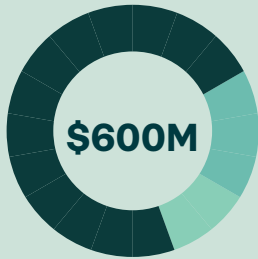
Yes. Funds donated to a DAF cannot be withdrawn, although they can be transferred to another DAF account.

Can a donor contribute real estate or stock to a DAF?

Yes. In fact, donating complex assets is often the most effective way to give because, by allowing a nonprofit to dispose of assets, the donor avoids capital gains taxes, which means the value of the gift can be higher and the cost of giving will be lower.

Does a DAF donor have a say in how funds are granted to nonprofits?

Yes. Although the sponsoring charity has final say on the funds' distribution, the donor can make recommendations about which charities receive grants from the DAF. This power remains with the investor for life and can be passed on to future generations.



Currently,
RCF supports more
than \$600 million
in DAF assets for
Franklin Templeton
and its clients.

Can a donor set up successor grant advisors?

Yes. It is common practice for a donor, when establishing a DAF, to name heirs as successor grant advisors. As an alternative, the donor may set up successor charities to receive grants after the donor's passing.

How will I know if my donor's desired charity is reputable?

RCF vets charities for you and your client so the donor can feel confident that the funds will be used correctly and effectively.

Will I have to manage DAF distributions?

No. RCF handles distributions to charities from the DAF, with input from the donor if the donor wishes.

Who will handle tax records and other administrative tasks?

RCF handles the administrative aspects of the DAF, including preparing for tax reporting, and RCF will issue gift receipt letters for every contribution the donor makes to the DAF.

Will my client remain a Franklin Templeton client?

Yes. Because RCF is not an investment manager, your client will continue to work with you for investment recommendations regarding the funds in the DAF.

Will RCF take a cut of the DAF growth?

No. RCF only charges industry-low DAF administrative fees.

How do I set up a DAF for a client?

Contact RCF and we'll walk you through the process and help you communicate with your client about the DAF and how it will work..

How long will it take to set up a DAF?

Depending on the complexity of the gifted assets, most DAFs are established in a matter of a few days.