



Donor-Advised Funds (DAFs) allow investors with charitable intentions to do more than simply write checks. With a DAF, donors set up a vehicle that lets them have long-term charitable impact along with immediate tax benefits. That’s why the DAF has become the nation’s fastest-growing philanthropic vehicle over the last decade.

HOW DOES A DAF WORK?

DAFs work pretty simply: A donor makes a gift to a sponsoring charity which then establishes a Donor-Advised Fund on the donor’s behalf. The funds are invested, and the return is used to issue grants to charitable organizations. Because donors no longer own the assets contributed to the DAF, they are not taxed on the DAF’s growth, but they do retain the power to recommend how the assets are invested and which charities receive grants – a power that remains with the donor for life and can be passed on to future generations.

WHY INVESTORS CHOOSE DAFS?

DAFs deliver both tangible and intangible benefits.

Charitable Impact.

Donors can have an immediate and ongoing impact on causes important to them.

Ongoing Influence.

The donor continues to have a say in what charities benefit from a fund’s proceeds and how DAF assets are invested.

Reduced Tax Costs.

Donors get immediate income tax deductions and ongoing tax advantages – benefits that apply to every contribution they make to the DAF.

Taxable-Event Offsets.

Major liquidity events or capital gains can be offset with gifts to a DAF.

Retirement and Estate Planning.

DAFs can be helpful in reducing estate assets and preparing for retirement.

Legacy of Giving.

A donor can involve others in making grant recommendations and pass that power to future generations.

Anonymity.

DAF grants can be distributed anonymously.

Distribution Flexibility.

Donations from a DAF may be any size and may be executed at any time.

97%

of donors said DAFs met or exceeded their impact expectations.

(Global Impact Investor Network’s Annual Survey)

Return on Investment.

The Global Impact Investing Network reports that 88% of respondents said their impact investments met or exceeded their expectations in financial performance.

HOW RCF WORKS WITH YOU?

As an IRS-recognized 501(c)(3) organization, RCF will serve as the sponsoring charity for your client's Donor-Advised Fund, allowing you to help clients meet their philanthropic goals. With an online platform and a process for vetting charities and distributing grants, RCF does the heavy lifting on creating and administering your client's DAF while your clients continue to work with you for their investment recommendations.

With an easy-to-use platform, decades of DAF experience and relationships with charities in all 50 states, RCF offers simple and effective giving options and tax-advantaged opportunities for your clients.

WHAT YOU GET WITH RCF?

Low fees.

Industry-low DAF administrative fees.

Investment flexibility.

The financial professional can customize a portfolio to meet the needs of individual clients.

A resource for non-cash giving.

A vehicle for unlocking the value of illiquid assets such as real estate and company stock so they can benefit charitable organizations.

Legacy development.

Donors can create an endowed legacy naming their favorite charities as beneficiaries or name successors to recommend investments and charitable grants into the future.

Technology.

Proprietary donor-portal platform gives the financial professional and the donor access to fund documents (tax receipts, grant letters, etc.) and allows contributions, grant recommendations and account changes to be made online.

Marketing support.

Supports financial professionals with resources for starting philanthropy conversations and building charitable giving into their practice.

A long-time partner.

Having serviced the Franklin Charitable Giving Program since 2005, RCF understands your mission, approach and service expectations.

Quick take: DAF Details

- DAFs must be created and maintained by a public nonprofit.
- DAFs are irrevocable gifts.
- DAFs are segregated – funds may not be moved from a DAF to other types of funds.
- DAFs can last for generations, allowing a donor to continue a giving legacy well into the future.