



# What You Need to Know about Donor-Advised Funds

A Donor-Advised Fund, or DAF, is a type of charitable giving vehicle that allows individuals or organizations to make a charitable contribution, receive an immediate tax deduction, and then recommend grants from the fund over time.



## How Donor-Advised Funds Work:



### Contribution

A donor contributes cash, securities, or other assets to a DAF. The donor receives an immediate tax benefit in the year of the donation (but can grant over time).



### Investment

The funds in a DAF can be invested, growing tax-free over time. Flexibility to recommend how the funds are invested, depending on donor's choice.



### Granting

Over time, donors recommend grants to qualified charities. We handle the administrative work, everything from due diligence on the charities to disbursing the grants.





## What are the benefits of a Donor-Advised Fund?

### Immediate Tax Benefits with Flexible Giving:

#### Maximize Tax Efficiency

Receive a tax deduction for the full value of the donation in the year it's made, grow the funds overtime, and then give when the time is right.

#### Strategic Giving

Enjoy the flexibility to spread out donations over time, allowing donors to choose when to support the causes they care about.



### Simplified Charitable Giving:

#### Centralized Management

A DAF acts as a single account for all charitable donations, simplifying your record-keeping and making it easier to track your impact.

#### Potential Growth

Contributions to a DAF can be invested, potentially growing tax-free, which could enhance the amount available for charitable giving.



### Create a Lasting Legacy:

#### Multi-Generational Giving

Use your DAF as a tool for estate planning, involving your family in philanthropy and ensuring values are passed down through generations.

#### Privacy & Control

Grants can be made anonymously and recommended over time, making way for an evolving giving strategy.





## Donor-Advised Funds are most advantageous for individuals who:



### Had a High-Income Year

Offset taxable income from bonuses, business sales, or stock options.



### Own Appreciated Assets

Donate securities or real estate to avoid capital gains taxes and get a full market value deduction.



### Are Planning for the Future

Create a lasting charitable legacy that can involve their family.



### Give Regularly

Simplify and organize charitable contributions over time.

**45%** of High Net Worth Individuals and **55%** of Ultra High Net Worth Individuals have a **Donor-Advised Fund** because of the tax benefits and ability to make a meaningful impact.\*

\*According to 2022 U.S. Trust Study of High-Net-Worth Philanthropy







## Donor-Advised Funds are one of the fastest growing ways to give to charity<sup>1</sup>

Number of DAF Accounts:

**1.8 million**

Contributions to DAFs:

**\$60 billion**

Total Charitable Assets:

**\$250 billion**

Grants to Charities:

**\$55 billion**



### Why Ren?

With over \$140B in charitable assets, Ren is America's premier provider of philanthropic technology and managed services. The **Renaissance Charitable Foundation**<sup>2</sup> has sent over \$50B to more than 40,000 different charities worldwide. With over 30 years of experience working with some of the world's largest financial institutions, it makes sense why our technology enables more than 350,000 donors across the United States.

To learn more, visit us at [www.reninc.com](http://www.reninc.com)

<sup>1</sup> All numbers according to 2023 DAF Report by National Philanthropic Trust

<sup>2</sup> **About Renaissance Charitable Foundation Inc.** The Renaissance Charitable Foundation Inc. (RCF) is a 501(c)3 qualified public charity and a sponsoring organization of donor advised funds. RCF utilizes Ren's technology and managed services offerings for its donor advised fund programs.