

CHARITABLE GIVING

Complete Your Success With Philanthropy

You're working hard, making good money and yet, rather than feeling like a total success, you're a bit empty inside. There is a way you can feed your soul – by using your financial resources to establish a personal charitable giving strategy. Donor-advised funds (DAFs) offer a way to make significant charitable gifts over the long term while allowing you to make a difference in the world.

A donor-advised fund is a simple, cost-effective and easy vehicle for establishing your philanthropic strategy. The contributions are professionally managed in investment funds. Many organizations exist that offer you the ability to set up a DAF such as The Schwab Fund for Charitable Giving, The Fidelity Gift Fund or Vanguard Charitable Endowment Foundation.

Easy to Set Up. Individuals or companies can open a donor-advised fund. Unlike establishing a private foundation, there are no out-of-pocket administrative costs to open – no set-up fees, no tax returns or legal filings, which can be costly and cumbersome to prepare. Administrative costs, however, will be deducted from fund assets, similar to a mutual fund expense ratio.

The minimum asset size of the contribution ranges from \$10,000 to \$25,000. The contribution can be made in cash or appreciated securities including mutual funds. All contributions are irrevocable and unconditional. Once you've made a contribution to your DAF, the assets become its property and cannot be returned to you



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under any circumstances.

Distribution. Most donor-advised funds have a minimum grant amount of \$250. The grantor does not have to make annual grant requirements. You make a grant recommendation to a 501(c)(3) public charity. All grants are subject for approval by the trust, foundation or fund.

Tax Benefits. A donor-advised fund allows you to receive the tax benefits when you need them but to develop your philanthropy over time as your interests change. A DAF is a 501(c)(3) public charity, and the gift qualifies as your charitable contribution.

Generally, you are able to take up to a 50-percent deduction of adjusted gross income (AGI) or up to a 30-percent deduction for long-term appreciated property.

A Family Affair. You may want to involve others in managing the account, which may include your

financial advisor as well as family members. DAFs can be a great instrument for developing your children's sense of philanthropy. Many families encourage their children to research organizations that they have an interest in supporting and then the family decides together whom to support each year.

Privacy. Your donor-advised fund is not subject to public disclosure requirements. With each grant you can choose either to be acknowledged or remain anonymous.

Longevity. A donor-advised fund allows you to build a legacy of philanthropy by passing it on to your heirs.

Over the life of your donor-advised fund, be sure to take the time to reflect on your charitable mission. You should identify specific, expansive and inspiring goals for your giving. Choose carefully the charitable organizations that would benefit from your support and do some due diligence so you feel confident in your choices. From time to time, you should evaluate the effectiveness of the charities you have selected to support and whether your mission continues to be the right one for you.

Charitable giving is a wonderful way to express your individuality, gratitude and selflessness. It is also an excellent way to gain an emotional return that can feed your soul.

Paula Harris is the co-owner of WH Cornerstone Investments of Duxbury, creators of the Future Focus Quest™, a wealth creation system for women enabling them to achieve their life goals.