

# **DAF? OMG!**

**Donor Advised Funds and  
the Grants Professional  
Kimberly Hays de Muga,  
GPC**

**First the Good News.....**



# Donor Advised Funds (DAF)

- Fastest growing type of giving:

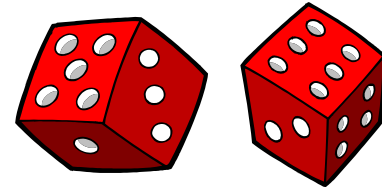
- 46% + (Since 2007)

- 7% + charitable giving

## Growing Faster

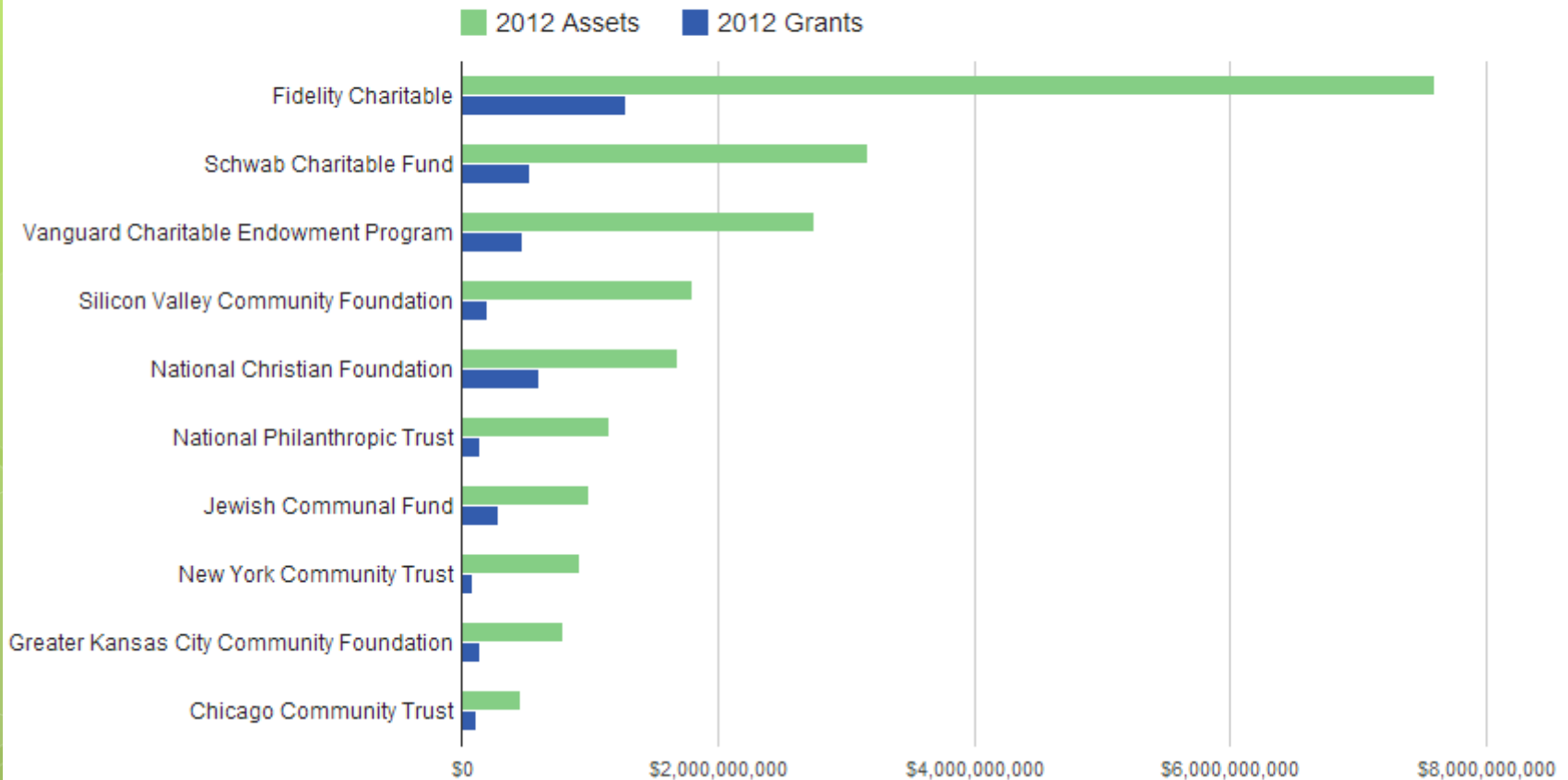
- Total assets \$45 billion+.
- 55% increase since 2009
- Awarded more than \$3.4-billion in grants—18% increase

## Place Your Bets....



- Fidelity Charitable (DAF)  
vs. Robert Wood Johnson  
(3<sup>rd</sup> largest grant maker  
in USA)

# Assets and Grants at the 10 Biggest Donor-Advised Funds



**DAFs?**





## **Donor (Indv.) Options:**

- 1. An outright gift (most popular option)**
- 2. a private foundation**
- 3. donor-advised fund**

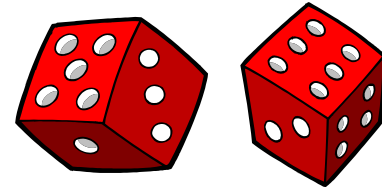
## DAF Def:

- specifically named fund established and administered at a charitable or for-profit institution. (Schwab, Fidelity, Community Foundation, Religious foundation, specific target group—Atl Womens Foundation)
- permanently endowed
- non-binding recommendations for funds distribution.

# DAF Advantages--Donor

- Substantial donations to a few nonprofits or individuals who want to make smaller donations to a large number of nonprofits.
- Small Gift Minimums (10K)
- Immediate charitable income tax deduction
- Administration: no separate tax returns or staff
- Resources: More charitable dollars into the philanthropic community.
- Investment: may grow faster

## Place your bets...



- Which funding source is required by federal law to distribute a higher percentage each year?:
  - Foundations?
  - DAFs?



# Quick Giving

- Post Katrina
- Post Boston Marathon
- Gifts within 2 Days

# Encourage Giving---DAFs

We believe that donor-advised funds can democratize philanthropy. Every family can be a philanthropist.

Deborah Wilkerson, president of the Greater Kansas City Community Foundation

## Fidelity Charitable

- **42% of Its Donor-Advised Fund Gifts Are Unrestricted!**





# Why can't I find out more?



# The Challenge...

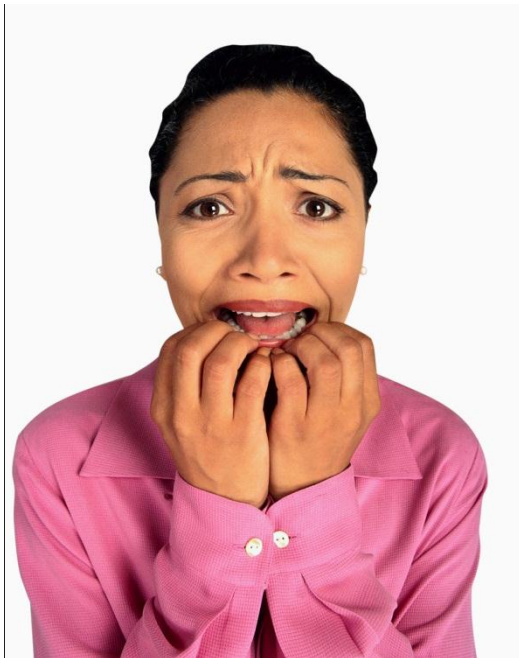
The IRS requires DAF sponsors' 990 to include:

- Total number of DAFs owned at end tax year
- Aggregate value of assets held
- Aggregate value of contributions to DAFs
- Aggregate value of grants made

# The Bad and the Ugly

- DAFs not ever required to distribute funds under current law
- Foundations can give their legally mandated 5% to DAFs instead of charities
- “...holding tank for later largess...” Barron's
- Donors may choose anonymous giving
- No 990s or other individual reporting required

# What's Next?



- Donors' checks
- Annual reports of community foundations
- Know your local community foundations
- Advisors/program officers

# Other sources

- Chronicle of Philanthropy
- Grantspace
- National Philanthropic Trust
- Fidelity Charitable Giving
- Commercial foundation databases; search by DAF owner, or by “donor advised fund”



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