



CHARITABLE GIVING (DONOR-ADVISED FUNDS)

There are a variety of ways to make charitable contributions during your lifetime. One of the fastest growing vehicles is a Donor-Advised Fund (DAF) because it offers a flexible, convenient and cost-effective way to give back to your desired charities and community at large.

HOW DAFs WORK

A DAF is a charitable giving vehicle sponsored by a public charity. It allows you to make an irrevocable charitable contribution to the fund, receive an immediate tax deduction, invest and grow your donation(s) tax-free. Long-term, tax-free compounded growth allows you to grant more over time and grant to specific nonprofits whenever you desire.



Individual/Family Contribute
(tax deductible donation)



Grow DAF
(invest donations tax free)



Grant -
Charity 1, Charity 2, Charity 3
(timing directed by donor)

OPENING A DAF

Donors can open a personal DAF at a sponsoring organization. The three primary vehicles are 1) charitable arms of financial service companies such as Fidelity and Schwab; 2) independent community foundations such as the Community Foundation for a greater Richmond; and, 3) individual nonprofits that have created a DAF program.

BENEFITS OF DAFs

- Support the charities you care about most
- Take an immediate tax reduction on your donation(s)
- Invest and potentially grow your donation(s) tax free to grant more over time
- Easy online tracking, paperwork and tax receipts

*There are about 750 community foundations in the United States and 30 in Virginia, including the [Community Foundation for a greater Richmond](#). These organizations provide local expertise and education for donors looking to support specific charities and/or community needs.

ACCEPTABLE ASSETS

Many DAFs accept the following gift types: cash, stock and mutual funds transfers, personal property, life insurance, privately-held stock, planned gifts and more.

COST OF DAFs

Total fees for DAFs vary depending on the provider and size of the fund balance. Typical administrative fees can range from 0.50% to 1% for the provider to cover the cost of processing contributions and grants, investment management services and donor support.

DONATION & DISTRIBUTION REQUIREMENTS

Minimum contributions also can vary from \$5,000 to \$100,000. Presently, the IRS requires no annual distribution from DAFs. However, sponsoring organizations may have their own separate requirements for annual distributions based on their policies.

Capital Management Corporation is a proud investment manager of DAFs for the Community Foundation for a greater Richmond.