



Donor-Advised Funds

A **Donor-Advised Fund** (DAF) is a charitable giving vehicle sponsored by a public charity that allows you to make a contribution to that charity and claim an immediate charitable tax deduction. Your gift is placed in an investment account and has the potential to grow over time. You then recommend grants to any IRS-qualified public charity, including Clark – these grants can be made in the year you fund the DAF or be spread over several years. You can also establish a beneficiary designation to have any balance remaining in your DAF distributed to Clark upon your death.

DAFs can be particularly helpful for donors who have uneven or windfall income which they want to offset with a charitable deduction in the year of that income, but want to make gifts to charity from that sum over multiple years. DAFs are also a good option for donors who want to use gifts of complex property such as closely-held stock or real estate to support multiple charities. The DAF will liquidate these assets and then you can recommend gifts from those proceeds over time to Clark and other charities you support.

Please note that grants from DAFs cannot be used to fulfill legally binding pledges you have established with Clark or other organizations. Any promise to recommend a DAF grant should be recorded in a “Statement of Intent” with the charity, not a pledge agreement.

Clark does not have its own DAF, but many organizations offer them including most local Community Foundations. Many major financial services providers have now created non-profit arms that also offer DAFs. Be sure to compare your options on a number of criteria: minimum gifts to establish a DAF, account fees, any rules or restrictions on grant recommendations including minimum annual distributions, the ease of the process of making recommendations, investment options, and policies governing the distribution of the remainder in your account upon your death.

For more information on how a Donor Advised Fund might be a helpful tool in your philanthropic planning, please contact the Clark Office of Planned Giving at (508) 793-7593 or plannedgiving@clarku.edu.

Clark University does not provide legal or tax advice. We recommend that you seek your own legal and tax counsel in connection with gift and planning matters.