

## DONOR ADVISED FUNDS

A Donor-Advised Fund (DAF) is a personal charitable giving investment account sponsored by a public charity. You make one or more contributions to your DAF account at the charity and claim an immediate tax deduction each time you make a gift. Your account has the potential to grow tax-free 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.

### NUTS AND BOLTS

- Gifts to DAFs are irrevocable and tax deductible in the year you make them. If you can't claim your full deduction in the year of your contribution, you can roll the excess deduction forward to use in subsequent tax years. There is no additional tax deduction when your DAF makes a grant
- Grants can only be made to qualified public charities. Grants cannot be made directly to individuals (such as a scholarship recipient) or to political or lobbying (501(c)4) organizations.
- DAF grants 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.
- Don't forget to create a succession plan for your DAF. You can direct any balance in the account upon your death to be sent to one or more charities. Alternatively, you may be able to designate one or more successor account holders (such as your children) who can continue to make grants from the account.
- You can make your DAF the beneficiary of some or all of your estate rather than including charitable bequests in your plans. The DAF will make grants made in accordance with your established instructions.

#### FIAT LUX LEGACY SOCIETY

*Clark's Fiat Lux Legacy Society honors alumni, parents and friends who have demonstrated their commitment to Clark's future by establishing planned gifts or including the University as a charitable beneficiary of their estate plans.*

***Join us by creating your legacy gift for Clark today***



## WHO CAN BENEFIT FROM A DAF?

DAFs can be particularly helpful for donors who have uneven employment income or taxable windfall income which they want to offset with a charitable deduction in a particular year. A DAF maximizes tax savings but preserves the ability to make grants to charities over multiple years.

DAFs are also a good option for donors who want to make gifts of complex property such as closely-held stock, private business interests, real estate, collectibles, cryptocurrency. The DAF will liquidate these assets and then you can recommend grants from those proceeds over time to Clark and other charities you support.

Finally, DAFs can be helpful in teaching your family about philanthropy. By functioning like a simplified family foundation, a DAF can promote conversations and planning about charitable giving across generations.

## HOW DO I FIND A DAF PROVIDER?

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.

**Figuring out the best way to make your planned gift can be complicated;  
Clark's Office of Planned Giving is here to help.  
For a confidential conversation to explore your options or a gift illustration,  
call (877) 252-7510 or email [plannedgiving@clarku.edu](mailto:plannedgiving@clarku.edu).**