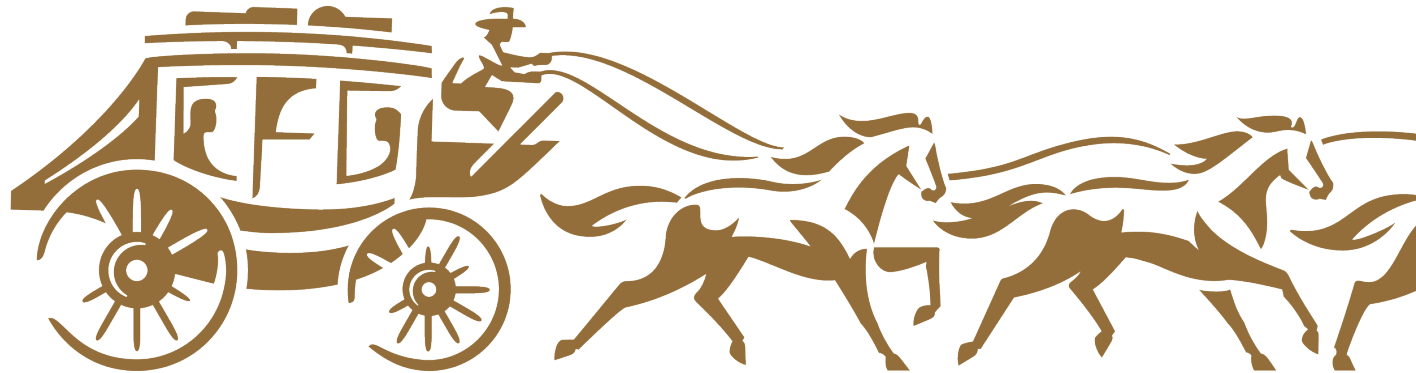
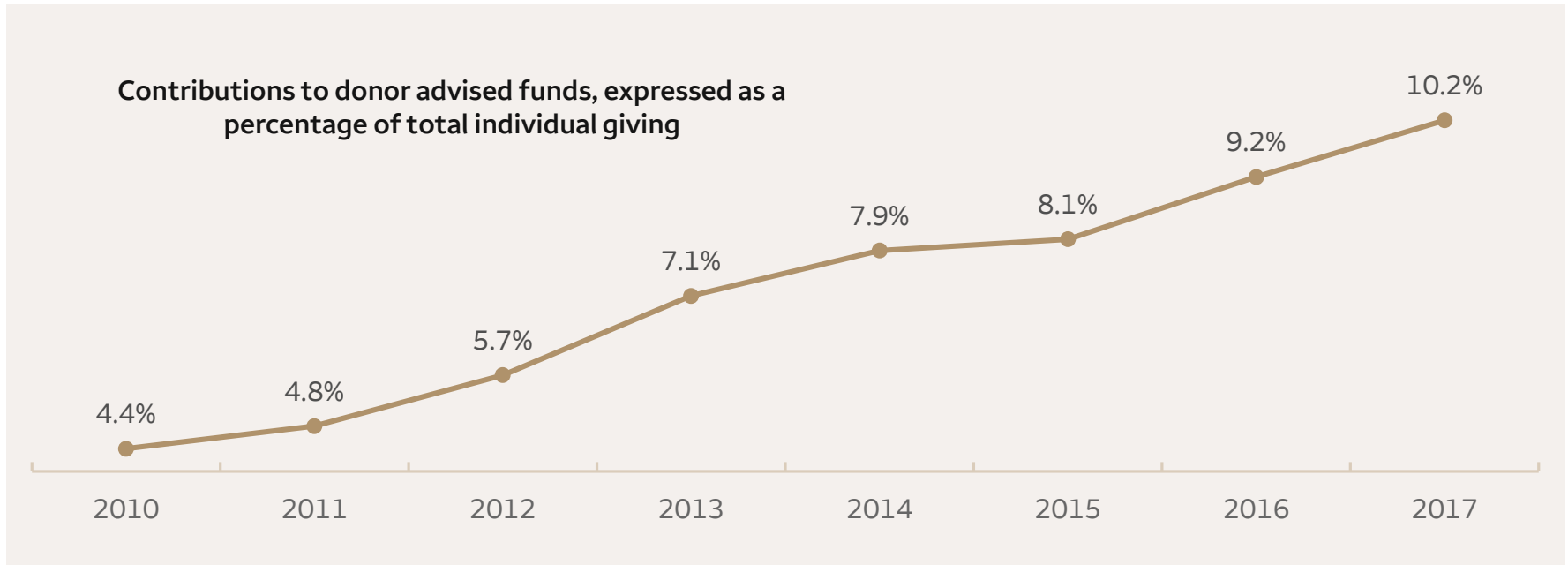


# Donor Advised Funds

Debra Faulk, CAP®  
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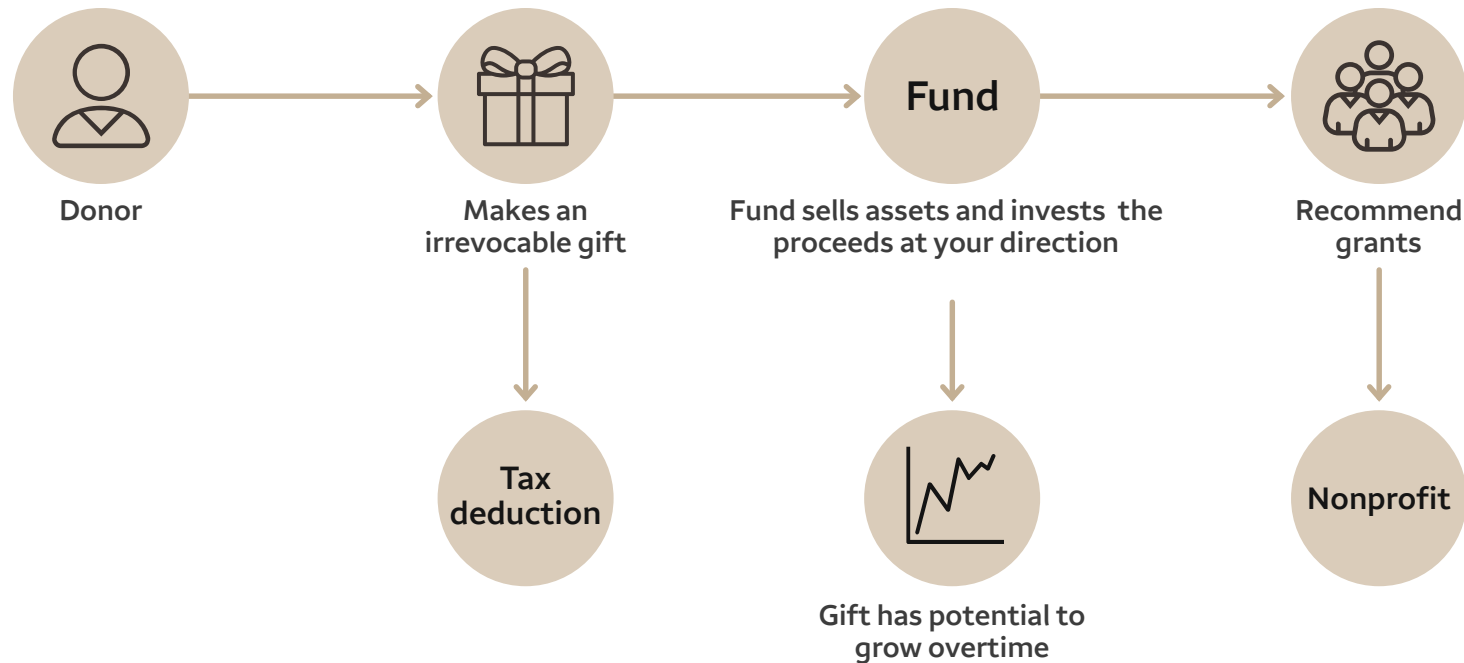
# Landscape of donor advised funds



## 2017 donor advised fund statistics

- Grants from donor advised funds totaled **\$19 billion**, up 19.9 percent from 2016
- Contributions into donor advised funds totaled **\$29.23 billion**, up 16.5 percent from 2016
- Assets held in donor advised funds totaled **\$110 billion**

# Donor advised funds broad overview



## Key benefits

- Easy to use online portal
- Donor is not responsible for administration; the charity handles all tax filings, grant administration, and contribution receipts
- Charitable deduction available in same year gift is made
- Flexible grant timing allows you to be strategic and maximize your charitable impact
- Public charity status allows you to:
  - Take a fair market value deduction for long-term appreciated assets
  - Donate single appreciated asset—make grant distributions to multiple charities
  - Remain anonymous if you choose

# Ways to fund a Donor-Advised Fund

Explore the benefits of contributing various assets to simplify charitable giving now and for generations to come

1

## Personal Assets

- Cash
- Appreciated securities
- Restricted stock
- Mutual fund
- Exchange-traded fund (ETF)

2

## Beneficiary Designation

- Will
- Personal trust
- Traditional IRA\*
- Retirement plan
- Life insurance policy
- Annuity
- Executive compensation plan

3

## Charitable Giving Vehicles

- Existing donor-advised fund account
- Charitable remainder trust (CRT)
- Charitable lead trust (CLT)
- Private foundation required distribution
- Terminating private foundation

4

## Complex Assets

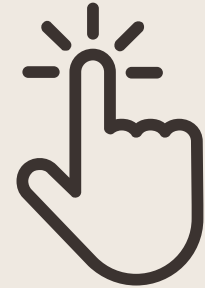
- Closely held business interest (LLC, LP, C-Corp, S-Corp)
- Real Estate
- Master Limited Partnership (MLP)
- Hedge fund interest
- Private equity interest
- Tangible personal property
- Loan note

\*Excludes Qualified Charitable Distributions (QCDs)

# Granting made easy

## Simplicity in granting

- Online access 24/7 makes grant making easy
- Grants may be recommended either one-time or on a recurring basis.
- Donors may recommend grants to **any** charitable organization that is:
  - Tax-exempt under the Internal Revenue Code
  - Classified as a public charity
  - Under certain circumstance donor can make international grants
- Donor can choose to be recognized in the following ways:
  - By DAF name only
  - In honor of, or in memory of someone
  - Anonymously



# Things a DAF cannot do



## **Provide more than an incidental private benefit to donors, advisors or their family members**

- Cannot pay for dues, membership fees, tuition, goods from charitable auction, priority for sports tickets, admission to charity events or other goods or services
- Support political campaigns, candidates, or to support lobbying activity are prohibited
- Grant to private non-operating foundation



## **Make payments to an individual**

- Pay salaries to individuals
- Give need based assistance grants to individuals
- Provide scholarships unless payment is made to a scholarship fund at a public charity where no disqualified party is involved

# Contact information

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# Disclosures

As required by law, all contributions to a donor advised fund are under the exclusive legal control of the sponsoring public charity—in this case, National Philanthropic Trust. Neither Wells Fargo and Company and its affiliates nor National Philanthropic Trust provide legal advice. You should consult with your own tax and legal advisors to determine how this information may apply to your own situation. Whether any planned tax result is realized by you will depend on the specific facts of your situation at the time your taxes are prepared.

While the operations of Donor Advised Funds are regulated by the Internal Revenue Service, they are not guaranteed or insured by the United States or any of its agencies or instrumentalities. Contributions are not insured by the FDIC and are not deposits or other obligations of, or guaranteed by, any depository institution. Donor Advised Funds have not been registered under federal securities laws, pursuant to exemptions for charitable organizations.

All investing involves risk including the possible loss of principal. There is no assurance any investment strategy will be successful. An investment in a mutual fund or exchange-traded fund will fluctuate and shares, when sold, may be worth more or less than their original cost. Exchange-Traded funds are subject to risks similar to those of stocks and may yield investment results that, before expenses, generally correspond to the price and yield of a particular index. There is no assurance that the price and yield performance of the index can be fully matched. A strategy's social policy could cause it to forego opportunities to gain exposure to certain industries, companies, sectors or regions of the economy which could cause it to underperform similar investments that do not operate under a social policy. A socially responsible investing style may shift in and out of favor.

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**Investment and Insurance Products:**

- ▶ Are NOT insured by the FDIC or any other federal government agency
- ▶ Are NOT deposits of or guaranteed by the Bank or any Bank affiliate
- ▶ May Lose Value