



American Heart Association®

# Donor Advised Fund

Donor Advised Fund **OVERVIEW**



A Donor Advised Fund (DAF) can be thought of as a charitable savings account. Donors make gifts directly to a sponsoring charity—in our case Renaissance Charitable Foundation Inc. (RCF). All such gifts by our donors comprise the American Heart Association Donor Advised Fund Program. RCF provides an immediate charitable deduction and maintains all donor DAF accounts. Donors will then recommend the charities they want to receive gifts.

Each DAF is a segregated fund maintained by the American Heart Association DAF Program which is created when a donor makes a gift of cash or assets. This allows the donor to receive an immediate income tax deduction, avoid capital gains tax on appreciated assets and have the ability to make grant recommendations at any time. The ability to make grant recommendations will continue for the life of the donor, then pass to future generations.

## WHO DOES IT WORK FOR?

Anyone who is subject to paying capital gains taxes on appreciated assets, whose estate is subject to taxes, who wants to benefit charity, and who wants to involve their family in philanthropy.

## HOW DOES IT WORK?

After a DAF is funded, donors use our website to recommend grants to their favorite charities. After specifying the charity, the amount and any special instructions for the grant (like remaining anonymous or giving the gift in memory of someone), our team springs into action. Internally, we vet the charity to verify it is an IRS recognized 501(c)(3) charity eligible to receive grants from a DAF, and if all is correct, we write the check and mail it to the donor's charity.

Donors can choose to make grants immediately from their account or delay their giving. Also, donors have the ability to set-up recurring grants, a favorite feature of those who use their donor advised fund to tithe.

## BENEFITS OF A DAF

### Reduced Tax Costs

Using a DAF can avoid capital gain taxes and assist a donor in achieving various tax reduction goals.

### Investment Flexibility

A donor can recommend their financial advisor manage the assets of their DAF account in a wide range of investment options.

### Charitable Impact and Legacy

DAFs are a wonderful tool for use in establishing a legacy of giving. Heirs and loved ones can be part of the process of distributing grants to charity, and can even be named successor grant advisors to allow the DAF to last beyond a single lifetime and for generations to come.

Visit [heart.org/donoradvisedfund](http://heart.org/donoradvisedfund) or call **(888) 227-5242**