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THE GIFT THAT KEEPS ON GIVING



How would you like to make a gift today that would enable you and your loved ones to continue to make charitable gifts in the future? When you make a gift to our organization of cash or other assets, we take your tax deductible contribution and establish a special account in your name. Your account is then invested to grow over time, permitting you to recommend annual gifts to your favorite charities.



This information is not intended as tax, legal or financial advice. Gift results may vary. Consult your personal financial advisor for information specific to your situation.

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OS-2011-50.5-th

DONOR ADVISED FUND

GIVING FOR THE FUTURE

AN INVESTMENT FOR THE FUTURE

A Donor Advised Fund is like having your own foundation. The fund is invested for growth, which permits you to make annual gifts of income and principal while you are alive. When you pass away, your children may make recommendations for distributions from the fund for a number of years. If you establish a Donor Advised Fund with us, at the end of the term, you will have a few options for your remaining fund balance. You may choose the final beneficiary, be it the Foundation or another organization. Or, the fund may remain in the trust of the Foundation with annual distributions or under the care of a successive advisor of your choosing.

A FLEXIBLE, LOW COST ALTERNATIVE TO A PRIVATE FOUNDATION

A Donor Advised Fund (DAF) offers you a flexible and easy-to-establish vehicle for charitable giving. Unlike private foundation (PF) gifts, DAF gifts generally qualify for a full fair market value charitable deduction and DAFs have lower startup costs. A DAF also permits you to make grants to charity without the unfavorable PF restrictions and excise taxes.

RECOMMENDING YOUR GIFTS TO OUR ORGANIZATION

Once your account is open, you are ready to begin giving! Simply contact us in writing with your annual recommendations of how your DAF funds should be distributed. While we may not be legally obligated to distribute your funds as you desire, we seek to honor your wishes to help further the organizations and causes you love.

IT'S EASY TO GET STARTED

Opening a DAF account is easy to do. Simply contact us for an application form and complete and sign the fund agreement. You may fund your account with a gift of cash, securities, real estate or other assets. Check with us if you have unique or special assets that may be donated in a tax efficient way. Call or click today!

Your Donor Advised Fund with Desert Southwest United Methodist Foundation

- There are no set-up costs to establish a Donor Advised Fund (DAF) with Desert Southwest United Methodist Foundation .
- You choose the name of your DAF.
- You may start your fund with as little as \$10,000 in cash or publicly traded securities.
- The funding amount and any growth from the fund's investments can be distributed to your endowment, church, or other qualifying nonprofits.
- You may add to your DAF at any time convenient to you. You qualify for an income tax deduction when you add to the fund – not when grants are made to nonprofits.
- Many DAF-holders find it convenient to use “bunching” when adding to their DAF. Donors make one big gift in a year when they plan to itemize deductions and then use the funds in their DAF to make grants over several years.
- New DAFs with DSUMF will receive an additional grant of 2% for initial deposits up to \$75,000. A \$10,000 funding deposit would receive a \$200 grant. A \$75,000 funding deposit would receive a \$1,500 grant. (Restrictions apply)
- Funds invested in your DAF grow tax-free because DSUMF is a 501(c)(3) nonprofit organization.
- Naming a child as a Successor Advisor is an excellent way to encourage family philanthropic values.
- Your DAF will need to maintain a minimum balance of \$5,000.
- You may not receive any benefit for grants you recommend from your DAF:
- You cannot use your DAF to buy a table at a nonprofit gala or use it for a nonprofit memberships or tickets.
- Because of that, you may not fund your DAF with a Qualified Charitable Contribution from your IRA. However, if you accept your Required Minimum Distribution (RMD) as income on which you pay taxes, you can then use all or part of the RMD to fund your DAF.
- At least 50% of your grant requests from your DAF must be given to United Methodist-related charitable causes.
- Unlike a private foundation, DAFs are not required to make annual distributions. You make grant requests on your own timetable.
- The minimum amount for a single grant distribution from your DAF is \$500. Requests for grants of \$200,000 or more may take up to 45 days to process.

Some General Information About Donor Advised Funds

- Donor Advised Funds are the fastest growing charitable giving vehicle. The number of DAFs has nearly doubled between 2018 and 2023. There are now almost 2 million DAFs.
- 25% of high net worth households have either a donor advised fund, a private foundation, or both.
- Currently \$230 billion dollars are held in Donor Advised Funds.