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GULF COAST COMMUNITY FOUNDATION

Donor Advised Funds: What Are They?

Donor Advised Funds are private funds administered and managed by a third-party organization (sponsoring organization) for the purpose of making charitable tax-deductible donations on behalf of a donor. It is set up by the donor, in his/her name within a charitable organization. Typically, the donor recommends the organizations to receive grants from the fund, how much the grants will be, and when they will be distributed. However, the sponsoring organization has final approval because they may have specific guidelines to follow.

Who Manages Them?

The organization that sponsors donor advised funds must be a charitable (501c3) organization. Sponsoring organizations may be:

- A local community foundation (ex. NH Charitable Foundation)
- A mutual fund company or brokerage firm that sets up a charitable organization (ex. Fidelity, Vanguard, and Schwab)
- A nonprofit organization that restricts donor advised funds to their overall mission (ex. religious organizations and scholarship funds)
- An independent sponsor (ex. American Endowment Foundation and National Philanthropic Trust).

Each charity or fund will specify a minimum amount to be invested in the fund (often as low as $5000). The donor may take an immediate income tax donation on the full amount he/she has contributed to the fund.

How Are Funds Invested?

Investment choices vary among sponsoring organizations, from allowing donors to use their own investment firm, to offering a choice of investment vehicles, to requiring investment in a certain vehicle. DAFs accept a wide range of assets – cash, securities, stock, real estate, etc.

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Sample Of Sponsoring Organizations

DAF Sponsoring Organization	2012 Distributions	# Funds	Contact
NH Charitable Foundation	$ 17,889,446.00	438	800-464-6641
Fidelity Charitable Foundation	$ 1,282,854,416.00	54,881	800-262-6039
Schwab Charitable Foundation	$ 539,167,969.00	15,201	800-746-6216
Vanguard Charitable Endowment Program	$ 476,680,954.00	8,059	888-383-4483