



How Donor Advised Funds Can Amplify Your Impact

If you've ever wished for a more streamlined, tax-smart way to give to the causes that matter to you, a **Donor Advised Fund (DAF)** may be the answer.

What Is a Donor Advised Fund (DAF)?

A Donor Advised Fund is a flexible, tax-efficient way to give to the charities you care about. Think of it like a *charitable savings account*:

You contribute money or assets, such as stocks or real estate, into the account and get an immediate tax deduction. The account is technically managed by a public charity, but you stay in control of how and when the money is distributed. You can take your time, recommending grants to nonprofits of your choice, on your own schedule. Think of it as a "giving reservoir". You steadily place money or assets (like appreciated stock) into the fund, get the tax deduction right away, and distribute the funds when you're ready, to any qualified nonprofit.

This setup gives you the freedom to plan your **giving thoughtfully while still enjoying immediate tax benefits**.

The Strategic Benefits

- **Immediate Tax Deduction:** You receive the full tax deduction in the year the contribution is made, even if you distribute the funds later.
- **No Capital Gains Tax:** You can contribute highly appreciated assets like stock, land, or real estate without triggering a taxable event. You receive a deduction for the fair market value, and the charity doesn't pay capital gains when the asset is sold.
- **Flexibility in Timing:** Fund now, give later. You can take your time to decide which organizations to support.
- **Privacy Option:** You can remain anonymous if desired when making distributions.

Smart Giving in Action

Let's say you've had a strong year in the markets. You contribute \$50,000 of appreciated stock to your DAF before year-end. You:

- Avoid capital gains on the appreciated value.
- Get a deduction for the full fair market value.
- Have the freedom to send a \$5,000 grant now and wait until next year to distribute the rest to a cause close to your heart.

What Can You Contribute to a DAF?

- Publicly traded stocks
- Private business interests (with planning)
- Real estate or land
- Cash and cash equivalents
- Mutual funds and ETFs

Framework for Making Donations to Nonprofits

- **Fund Your DAF:** Make a tax-deductible contribution.
- **Strategize Your Giving:** Reflect on your values and desired impact.
- **Make Grant Recommendations:** Choose qualified nonprofits to receive funds when you're ready.
- **Track Your Giving:** Measure outcomes and refine your strategy each year.

Let Us Help You Give with Purpose

We've helped many families use DAFs to simplify their philanthropy while creating deeper, lasting impact. Whether your heart is with the arts, education, environment, or underserved communities, your giving can tell your story.

If you're ready to explore how to structure your giving and want to support a charity close to your heart through a DAF, **Monique Marshall, RMA[®], AIF[®]** and the team at **Life By Design Investment Advisory Services** is here to help.

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