

GIVE WHERE YOUR HEART LIVES

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Donor Advised Fund

A Donor Advised Fund (or DAF), is a giving account that supports all your favorite nonprofits.

This type of fund is for people who:

- Want to be actively involved in recommending grants to their favorite charities.
- May be seeking an alternative to a private foundation and want to involve their children or other successors in giving and grantmaking.



Overview

Donor advised funds are an excellent vehicle for donors to be able to distribute charitable dollars over time.

One benefit of these funds is that you are able to designate your children or others as “successor advisors” to recommend grants from the fund.

You can support all your favorite charities through one giving account, and grant in flexible amounts at any time of the year with immediate tax benefits.

And by establishing a donor advised fund at the Community Foundation, you have the opportunity to work with one of our philanthropic advisors to explore giving options and new interests.

How A Donor Advised Fund Works

- You work with one of our philanthropic advisors to set up your donor advised fund, make a gift to the Vermont Community Foundation, and receive a charitable deduction.
- You choose your fund name and select an investment option that is best suited for your goals.
- You make grant recommendations to support charities, and we send the checks in the name of the fund. Or, if you prefer, grants can be made anonymously. You have access to the Community Foundation’s staff, which has expertise on a wide

array of topics – we can tell you what nonprofits in Vermont are doing cutting edge work, take you on a site visit, or tell you about the latest trends in giving.

- You can choose to participate in our nationally-recognized Giving Together program, which invites our donor advised fundholders to co-fund the best proposals we receive through some of our competitive grant rounds. The work supported by these grants is varied and makes a difference in communities across Vermont.

[VERMONTCF.ORG/OUR-SERVICES](https://vermontcf.org/our-services)

Find the Giving Tool That's Right for You

| | VCF DAF | Commercial DAF | Private Foundation |
|--|------------|-------------------|-----------------------|
| PERSONALIZED EXPERTISE: A licensed team of Vermont-based philanthropic advisors with expertise in charitable giving strategies to help you set priorities and align grantmaking. Your team of advisors is dedicated to guiding you in supporting the causes you care about most and to support you on your philanthropic journey. | ✓ | | |
| COMMUNITY KNOWLEDGE: Direct relationships with over 4,000 Vermont nonprofits to help connect our fundholders' philanthropic aspirations with the tangible needs of our communities. | ✓ | | |
| MISSION INVESTING IN VERMONT: 5% of every fund's gifts are invested in local, community and economic development projects. Ensuring your fund is making a difference in Vermont from day one. | ✓ | | |
| BENEFITING VERMONT: VCF and therefore Vermont, is the beneficiary of every fund at the VCF. Unless you assign it to another designate, all funds become a part of VCF funds and are put to work to benefit Vermont and Vermonters. | ✓ | | |
| ADMINISTRATIVE SUPPORT: Handles gifts and grants processing, due diligence, IRS compliance, and reporting allowing fundholders to focus on their philanthropic goals without the burden of extensive administrative responsibilities. | ✓ | ✓ | |
| IMMEDIATE TAX BENEFITS: Following a contribution, donors are eligible for a tax deduction that calendar year. The deduction for a cash gift can be up to 60% of a donor's adjusted gross income, for a donation of other appreciated assets, up to 30% of the donor's adjusted gross income. | ✓ | ✓ | |
| PROFESSIONAL INVESTMENT MANAGEMENT: Assets are managed by professional investment teams, often resulting in efficient growth of the fund through pooled investments. ^[1] | ✓ | ✓ | ✓ |
| LOWER OPERATING COSTS: Administrative and operational costs are shared with other fundholders. | ✓ | ✓ | |
| FLEXIBILITY IN CONTRIBUTIONS: Accepts a wide variety of assets, including cash, securities, and non-traditional assets, with fewer restrictions. | ✓ | ✓ | ✓ |
| ANONYMITY OPTION: Choice to remain anonymous with your donations. | ✓ | ✓ | |
| COLLECTIVE GIVING: Ability to pool resources from multiple fundholders, enabling you to have a broader and more significant impact. | ✓ | | |
| LEGACY BUILDING: Can be structured to reflect the donor's legacy and values providing an enduring family or personal philanthropic identity. | ✓ | ✓ | ✓ |
| INTERNATIONAL GRANTMAKING: Make grants to organizations and projects outside the United States. ^{[2][3]} | ✓ | ✓ | ✓ |
| ABILITY TO GRANT TO INDIVIDUALS: Grant directly to individuals, such as for scholarships or emergency hardship assistance. ^[4] | ✓ | | ✓ |
| COMPENSATION FOR FAMILY MEMBERS: Permits financial compensation to family members or other individuals for their roles in managing and administration. | | | ✓ |

[1] THIS IS AN ADDED EXPENSE FOR PRIVATE FOUNDATIONS. [2] VCF CAN ADMINISTER GRANTS TO U.S. PUBLIC CHARITIES THAT OPERATE INTERNATIONAL PROGRAMS. [3] COMMERCIAL DAFS GRANT TO A U.S.-BASED CHARITY OPERATING INTERNATIONALLY, OR OPT FOR AN INTERMEDIARY CHARITY WITH TIES TO NON-U.S. ORGANIZATIONS, WHICH WILL FACILITATE THE GRANT ON YOUR BEHALF FOR A FEE. [4] VCF CAN GRANT TO NONPROFITS THAT WORK DIRECTLY WITH INDIVIDUALS FOR PURPOSES OF SCHOLARSHIP, HARDSHIP ASSISTANCE, AND DISASTER RELIEF.