WHAT IS A DONOR-ADVISED FUND (DAF)?

A donor-advised fund is a giving vehicle administered by a charitable sponsor. Among the many public charities that sponsor DAFs are: Fidelity Charitable, Vanguard, Charles Schwab, and National Philanthropic Trust. DAFs may also be administered by a local community foundation.

Donor-advised funds are among the fastest-growing charitable giving vehicle in the United States. They present an easy way to donate and offer tax advantages for giving to charity.

A donor-advised fund allows donors to make an irrevocable charitable contribution, receive an immediate tax deduction, and then, over time, recommend grants from their fund to IRS-qualified charitable organizations of the donor’s choosing. Donors may contribute to the fund as frequently as they would like, and then recommend grants to their preferred charities whenever it makes sense. Right now there is no deadline for when funds from a DAF must be distributed.

HOW DOES A DONOR-ADVISED FUND WORK?

• Make a tax-deductible donation
  An individual donates cash, stocks or non-publicly traded assets to a public charity. The donor is eligible for an immediate tax deduction. A contribution to a donor-advised fund represents an irrevocable commitment; the funds cannot be returned to the donor or any other individual or used for any purpose other than grantmaking to charities.

• Watch your fund grow, tax-free
  While the funds remain in the donor-advised fund they can potentially increase, resulting in more money available for the donor to distribute to charitable organizations.

• Support nonprofit causes and organizations you care about, now and in the future
  At any time, the donor can recommend which nonprofit organization(s) should receive a grant. The public charity sponsoring the account is responsible for distributing the funds to the nonprofit(s) of the donor’s choosing.

WHEN DOES THE DONOR RECEIVE THE TAX BENEFIT?

The donor receives the tax benefit in the year the DAF is funded. At any later time, the individual can make recommendations as to which charitable organization(s) should receive a grant. At the time funds from the DAF are disbursed to the nonprofit(s), the donor does not receive a tax benefit.

For example: If the individual funds a DAF in 2022, the money could sit for years before being given to charity, but the person will get the tax credit in 2022, NOT when the money is eventually disbursed.

HOW CAN I SUPPORT NAVY-MARINE CORPS RELIEF SOCIETY THROUGH MY DONOR-ADVISED FUND?

If you have a donor-advised fund and would like to recommend a gift to Navy-Marine Corps Relief Society, please instruct your DAF custodian to make a check payable to Navy-Marine Corps Relief Society and mail to the address below.

QUESTIONS?

Please contact the Development Department at 800-654-8364 or giving@nmcrs.org

Navy-Marine Corps Relief Society
875 North Randolph St, Suite 225
Arlington, VA 22203
EIN is 53-0204618

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