

Appendix

Center for Science in the Public Interest DAF Reference Guide

What is a donor-advised fund?

A donor-advised fund (DAF) provides donors with a centralized charitable giving vehicle. It allows philanthropically inclined individuals, families, and corporations to make an irrevocable charitable gift to a public charity that sponsors a DAF program and take an immediate tax deduction. Most sponsoring organizations of DAFs accept cash equivalents, securities, and certain other assets.

How does it work?

- Establish your DAF by making an irrevocable, tax-deductible donation to a public charity that sponsors a DAF program
- Advise the investment allocation of the donated assets (any investment growth is tax-free)
- Recommend grants to qualified public charities of your choice

Main advantages of a donor-advised fund

- **Simplicity**— The DAF sponsor handles all recordkeeping, disbursements, and tax receipts
- **Flexibility**—Timing of your tax deduction can be separate from your charitable decision making
- **Tax efficiency**— Contributions are tax-deductible, and any investment growth in the DAF is tax-free. It is also easy to donate long-term appreciated securities, eliminating capital gains taxes and allowing you to support several charities from one block of stock.
- **Family legacy**—A DAF is a powerful way to build or continue a tradition of family philanthropy.
- **No start-up costs**— There is no cost to establish a donor-advised fund. However, there are often minimum initial charitable contributions to establish the DAF (typically \$5,000 or more).*
- **No transaction fees**—Once approved, 100% of your recommended grant goes to your qualified public charity of choice.*
- **Privacy if desired**—Donors may choose to remain anonymous to the grant recipient.

*Sponsoring organization generally assess an administrative fee on the assets in a DAF. These fees vary by the charity that sponsors a DAF program.

*If you have any questions, please contact Christ Schmidt at cschmidt@cspinet.org,
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