



Donor Advised Funds

Differences

Hosting Your DAF at a Community Foundation

A Donor Advised Fund at Greater Worcester Community Foundation offers the advantages of a private foundation without the setup costs, ongoing excise taxes and administrative expenses. Your gift receives more advantageous tax treatment, as well as reduced expenses and burdens, because we are a public charity.

Donor Advised Fund at GWCF	Private Foundation
No setup fees	Substantial setup costs (legal, accounting, filing, fees)
Flexible options for grant distributions	5% annual grant distribution requirement
No excise taxes	Excise taxes, typically 2% of annual income
Donor may choose to remain anonymous	Tax return is public record (form PF 990)
Income tax deductions	
Cash: Up to 60% of adjusted gross income	Cash: Up to 30% of adjusted gross income
Appreciated, long-term publicly funded securities: Fair market value up to 30% of adjusted gross income	Appreciated, long-term publicly funded securities: Fair market value up to 20% of adjusted gross income
Long-term real estate and closely held securities: Fair market value up to 30% of adjusted gross income	Long-term real estate and closely held securities: Deductible at cost basis only

Our funds are also a local alternative to commercial Donor Advised Funds. With our deep community connections, we are able to provide donors extensive knowledge about local issues, as well as personalized insights into the causes that individual donors care about.

Donor Advised Fund at GWCF	Commercial Donor Advised Fund
Counseling on where your money can do the most good, based on your goals and interests	Limited, if any, philanthropic advice; grantmaking is a transactional request
Deep local knowledge across a variety of evolving or emerging community issues	Limited, if any, local presence; grants are accepted through national office
Design and guidance for family giving plans	Limited, if any, guidance on multi-generational philanthropy
Invitation to donor events, including networking and educational activities	No donor events
Fees support programs in the community through the Foundation	Fees ultimately support financial parent company

Benefits

Working with the Community Foundation

If your philanthropic interests are diverse, establishing a Donor Advised Fund at Greater Worcester Community Foundation offers significant benefits and an excellent avenue to carry out your charitable wishes. Donor Advised Funds facilitate the continuing involvement of donors through recommendations on the recipients, amounts and timing of grants from their funds.

1. Knowledge of local organizations and the causes important to the community.

We work with nonprofits in Worcester County every day and can provide you with valuable information to assist you in planning your philanthropy.

2. Simplified recordkeeping.

We keep track of your donations, provide timely gift acknowledgements, and use professional money managers for endowed assets. Statement access is provided securely online.

3. Tax timing advantages.

You may wish to make larger charitable contributions in some years more than in others. With a Donor Advised Fund, you can make contributions in years when it is more advantageous, then make charitable distributions in subsequent years without having to add to the fund each year.

4. Fast and easy setup.

A Donor Advised Fund can be opened in a day, with a simple agreement and an initial gift of \$10,000 or more.

5. Strategic giving.

Partner with us to fund grants in areas that strengthen the community.

6. Make a difference in perpetuity.

Name a second generation of advisors to your Donor Advised Fund to continue the giving beyond your lifetime.

7. Modest fees.

A Donor Advised Fund is typically less costly and easier to administer than other forms of organized giving, such as family or corporate foundations. Our fees get reinvested back into the community through Foundation programs and grantmaking.

8. Anonymous charitable grants.

If desired, you can make grants anonymously on a grant-by-grant basis.

9. No capital gains taxes on appreciated securities or other assets.

If you have stocks, mutual funds or other assets purchased more than a year ago that are worth more now than when you bought them, you will not have to pay capital gains tax on them if you donate them to the Foundation.

10. Increased giving capacity.

When you open a Donor Advised Fund, your initial gift will be invested and can grow significantly over time, and all growth in the fund is tax-free.

For more information visit www.greaterworchester.org/giving
or contact Kelly Stimson at 508-755-0980 ext. 112 or
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