GLENMEDE
PRIVATE WEALTH

Optimizing Charitable Contributions With a Donor-Advised Fund

A donor-advised fund (DAF) is a giving account that supports charitable organizations that matter to you. A DAF account allows you to make a charitable contribution, generally receive an immediate tax deduction and then recommend grants from the fund over time.

Benefits of a DAF

DAFs present many advantages to both you and the charities you want to support.

Flexible Structure

- A DAF can be established in one day at no cost, and has low ongoing administration fees.
- You can contribute a wide variety of assets, including cash, marketable securities, private business interests, real estate, restricted stock and cryptocurrency.
- A DAF can complement other charitable vehicles, such as private foundations, and receive funding from charitable lead trusts and charitable remainder trusts.
- Grants from your DAF can be made anonymously.
- You can establish a legacy by designating a DAF as beneficiary of an individual retirement account, charitable trust and life insurance policy, among others. A DAF may also receive charitable bequests under a will.
- Charitable beneficiaries can be designated to receive grant distributions after the donor's lifetime.
- A Glenmede DAF is not subject to an annual distribution requirement.

Tax Efficiency

- Donors may be able to take an immediate tax deduction, and DAF assets may be invested for tax-free growth.
- Contributions to DAFs generally qualify for more favorable tax treatment than contributions to private foundations.
- Deductions can be bunched into a single DAF contribution creating a deduction large enough to itemize.
- Contributions of appreciated assets held longer than one year generally qualify for a charitable deduction at fair market value, and the donor can avoid realizing capital gains.
- Since assets donated to a DAF do not need to be distributed immediately, your DAF can be invested to grow tax-free as long as you make periodic grants in accordance with the sponsor's distribution requirements.

When to Consider a DAF

Because DAFs are so flexible, they can be an appropriate option in a number of different scenarios.

- Selling a business or property
- Terminating or supplementing a private foundation
- Holding highly appreciated assets
- Engaging family in charitable giving
- Converting a traditional retirement account to a Roth
- Preparing for retirement

Opening a DAF

The Glenmede DAF is offered in partnership with National Philanthropic Trust (NPT), a tax-exempt public charity that sponsors the DAF, maintains exclusive legal control over contributed assets and handles tax reporting. Glenmede serves as NPT's investment manager for the DAF.

Donor opens a DAF and chooses a name for it, designates current and successor advisors and selects investment options. → Donor makes an irrevocable contribution of at least $25,000, which is immediately tax deductible to the fullest extent of the law. → Contributions are invested and can grow tax-free within the DAF.* → Grants from the DAF can be requested at any time to eligible charities.

* The value of the DAF account will fluctuate with market performance. Income earned by the DAF includes interest, dividends, capital gains distributions from mutual funds and other investment income.

Ongoing Support from Glenmede

Once you establish your DAF, you and your Relationship Manager receive online account access in the Glenmede DAF portal, which is accessible via single sign-on from GlenmedeConnect. You also have access to online research on charities as well as nonprofit sector resources.

The Glenmede Difference

Funding a DAF can be a strategic way to support your philanthropic goals and those of your family, while also benefiting your overall wealth plan. Work with your Glenmede advisor to explore your DAF options. Glenmede provides tailored, coordinated advice on a full suite of philanthropic vehicles to help you achieve your charitable goals.

To learn more about the benefits of a DAF, please contact your Glenmede Relationship Manager.