GLENMEDE
PRIVATE WEALTH

Preserving the Family Legacy with a *Donor-Advised Fund*

Operating a private foundation can be rewarding, but at some point it may not be the best fit for a family's philanthropic giving strategy. A donor-advised fund (DAF) can be an easy and effective charitable giving option.

A Legacy of Giving

Nicole's* grandfather emigrated to the U.S. from Italy and built a successful business, allowing his family to make a philanthropic impact in their community and establish a private foundation. He left instructions that upon his death, half of the foundation's money was to be set aside to build and maintain a library in his hometown in Italy and the remainder to make charitable donations to local organizations. However, building the library was an arduous process, as overseas donations are subject to numerous regulations, and a brick-and-mortar library proved too expensive to build, forcing the family to create a virtual one instead. Ongoing maintenance of the library also became overly burdensome.

The Glenmede Partnership

Nicole took over the family foundation many years after her grandfather died. Her goal was to preserve the integrity of his intentions while also easing the responsibility associated with operating a foundation with an international focus. Since her family had worked with Glenmede for many years on the investment side, it seemed a natural fit to partner with the firm to find a solution.

Her advisor leveraged Glenmede's extensive network of external partners, putting Nicole in touch with a firm that specialized in nonprofits as well as with National Philanthropic Trust (NPT), the tax-exempt public charity that sponsors the Glenmede DAF. To address the first part of her grandfather's wishes—supporting the library—NPT recommended nonprofits in Italy that could accept a lump sum grant and earmark those funds for the library's upkeep without the need to make several individual international donations. Following lengthy legal proceedings that spanned three years, the wheels were put in motion to support the library.

> "This was the best way to put our money to work in the right way—and the best way to get it to where my grandfather wanted it to be."

The DAF Solution

Nicole and her Glenmede advisor discussed a philanthropic strategy to address the second of her grandfather's wishes—supporting local organizations. Given the modest size of the foundation, which would allow the family to make just a few sizable donations each year, they decided to dissolve the foundation and open a DAF account.

A DAF is a giving account that supports charitable organizations that matter to the donor. It allows the donor to make a charitable contribution, generally receive an immediate tax deduction, and recommend grants from the fund over time. Because donors receive a tax benefit upfront, contributions to a DAF are irrevocable. The Glenmede DAF is offered in partnership with NPT, which maintains exclusive legal control over contributed assets and handles tax reporting. Glenmede serves as NPT's investment manager for the DAF.

Opening the DAF account was seamless. Nicole appreciates the simplicity of the grantmaking process and likes the idea of an easy platform to engage the next generation in giving. Her family, who are spread across several cities, can now make grants in their communities to support not only the causes that are important to them but also to the charities loved by her grandparents.

"The DAF is a perfect way to honor my family and my legacy."

The Glenmede Experience

For Nicole and her family, shifting from a foundation to a DAF was a simple yet effective way to support their philanthropic goals both here and in Italy. Glenmede made the process painless, especially given the many details and potentially frustrating moments throughout the process. Since her family had a long relationship with Glenmede, Nicole felt comfortable that our advisors knew her family well and understood their needs and philanthropic goals.

To learn more about donor-advised funds, please contact your Glenmede Relationship Manager or visit info.glenmede.com/donor-advised-fund.

* Nicole is a real client. We are using a pseudonym to protect her anonymity.