

Donor Advised Fund

A personal approach to giving.

Opening a Donor Advised Fund allows you to make a gift to your community foundation, then remain actively involved in suggesting uses for your gift. You can work with our professional program staff to suggest ongoing uses for the fund—targeting the issues you care about most. Grant awards are issued to charities in the name of the fund (or anonymously if you prefer). It's a simple, powerful, and highly personal approach to giving.

Donor Advised Funds are convenient, flexible tools for individuals, families, businesses, or groups that want to be personally involved in suggesting grant awards made possible by their gifts. If you have a range of community interests, you may find that it's an ideal vehicle for fulfilling your charitable wishes. Donor Advised Funds are typically less costly and easier to administer than other forms of philanthropic giving (such as family or corporate foundations).

Your gift can be combined with others to increase its impact, and you can add to the fund you establish at any time, receiving tax benefits with each new gift. You can establish a fund today and make grant recommendations now or in the future. And if you endow your gift, it becomes a permanent community funding resource.

Example Donor Stories: Individual, Family, Business

Individual Donor

A personal connection.

When Alex Dorado retired, he wanted a way to give more to his community. "I've lived here my whole life, and now that I have more time and resources, I can give back to a number of causes and organizations that are very special to me," he says. Alex and his financial advisor met with their community foundation to discuss ways Alex might increase the impact of his giving and gain maximum tax advantage. Alex chose to establish a Donor Advised Fund in his family's name. He now meets with the community foundation's professional program staff to recommend grants in the areas he cares about most. "Last year, based on my recommendations, the fund bought uniforms for an after-school sports league and supported an adult literacy program," reports Alex. "This is a great way to stay involved and use what I have to make a difference in the community I love."

Family Donor

Sharing family values.

"We wanted to share our community values with our children and share our family values with our community," says Sara Lin, explaining why she and her husband Peter established the Lin Donor Advised Fund at their local community foundation. Every year, the Lins and their children meet with community foundation staff to recommend uses of the fund. Two years ago, they recommended that it be used to help start an inner-city daycare center. Last year, the fund helped expand the hours of this center, in addition to supporting an area arts camp. "We look forward to a day when we might involve our children's children in giving back," says Sarah.

Business Donor

A better approach.

TRI, a company with a tradition of giving back, receives many requests for donations. In the past,

company president Anthony Hall found it hard to decide which appeals to respond to... and even harder to know if his company's charitable gifts made a difference. Three years ago, the company established a Donor Advised Fund at the local community foundation. Each year, partners add a percentage of profits to the fund. A team of employees from TRI meets with the community foundation to review local needs and recommend grants. Anthony says, "Our company is able to do much more through our community foundation."

Opportunities:

Year-end tax planning: Just earned a large bonus, but no time to decide on the most deserving charities? Establish a Donor Advised Fund for an immediate tax deduction, and stay involved in your gift for years to come.

Simple alternative to private foundations: Thinking about establishing a private foundation, but looking for a better, simpler way? Or, frustrated with the ongoing management of your private foundation? Establish a Donor Advised Fund (or Supporting Organization) and stay personally involved with the distribution of gift dollars. Use community foundation grant expertise for community knowledge and greater impact.

Strategic giving: Passionate about meeting a specific community need and want to make a meaningful gift? Community foundation uses expertise in local need to recommend ways to make the greatest impact.

Sale of a business: Own highly appreciated stock in a company that is about to be acquired? Structure a charitable gift of stock before the company is sold to reduce capital gains and increase charitable deductions. Establish a Donor Advised Fund so a once-in-a-lifetime event can help you do good, forever.

Closely held stock: Personal net worth tied up in a closely held company, but want to give back? Donate a portion of company stock to the community foundation; company may buy it back for fair market value. Establish a Donor Advised Fund or planned gift; you are eligible for a tax deduction at the fair market value of appreciated stock (less any planned gift value).

Preserving an estate: Estate planning identifies significant taxes going to the IRS, but want to keep tax dollars local? Reduce taxable estate through charitable bequest or other planned gift. Create personal legacy in community that stays true to your charitable intent forever.

There is so much more we'd like you to know. For more information and ideas on ways to integrate your financial planning with charitable giving, ask your financial advisor or contact [The Greater Round Rock Community Foundation](#)