



## Top 10 Reasons to use a Donor Advised Fund

*Your giving is our mission*

### 1. **Keep Track of Fewer Charitable Receipts**

For any charitable contribution over \$250, the IRS requires that you obtain – and retain – a receipt containing the right kind of language. With a Donor Advised Fund, there's no need for you to handle individual receipts to charities; you'll receive one receipt from us for the contribution you make to your fund and that is sufficient for the IRS.

### 2. **Avoid Capital Gains Taxes on Appreciated Securities**

An appreciated security is simply a stock or bond that is worth more now than when you bought it. There are significant tax advantages to donating an appreciated security, but it can be complicated. With a Donor Advised Fund at the Community Foundation, just have your broker follow our stock transfer instructions. We'll sell the stock immediately, put the proceeds in your fund, and then you can recommend donations to various worthy causes whenever you choose.

### 3. **Donations Continue to Grow**

All Donor Advised Funds are added to the Community Foundation's assets. The Investment Committee, with the help of consultants, chooses investment options to maximize long-term growth, while minimizing volatility. Currently we use Dodge & Cox for our investments.

### 4. **Fund Growth is Tax Free**

As a 501(c)3 organization, the Community Foundation pays no income tax. All that growth in your Donor Advised Fund is completely tax-free and available to distribute to eligible nonprofit organizations.

### 5. **Use the Fund to Make a Difference in Perpetuity**

A Donor Advised Fund offers various options upon your death. You can designate who should take over the responsibility of recommending future contributions or specify what types of charitable institutions and/or interests to

fund in the future. We have been here for more than 20 years, and we have built a reputation as a place you can trust that your charitable intent that will be honored in perpetuity.

**6. Ability to Distribute Funds Anonymously**

If you would like your contributions to be given anonymously, we will set up your fund so that the recipient organization only sees the Community Foundation's name on the check. You can decide to be anonymous, or not, on a case-by-case basis.

**7. Flexibility of Contributions**

Some years it makes good sense to contribute assets; other years it may not. With a Donor Advised Fund, you can make contributions to your fund—or forego them—as you wish. Yet you can still recommend distributions out of the account even in years when little or no money goes in.

**8. Availability of Advice and Assistance**

Most people are not experts at determining what causes are worthy. We deal with nonprofit organizations every day, and are happy to supply advice, guidance, assistance, support and help, as requested. In addition, we work with donors and their advisors to maximize satisfaction with the grants made from Donor Advised Funds.

**9. Easy to Get Started**

Starting a Donor Advised Fund is simple. You may open one with as little as \$10,000 for a non-endowed fund or \$50,000 for an endowed fund. To start, just sign a fund agreement and send it with your money or appreciated securities. You can then send distribution recommendations by mail or email. To get started, contact Briggen Wrinkle at 970.375.5807 or [director@swcommunityfoundation.org](mailto:director@swcommunityfoundation.org).

**10. Low Fees**

Donor Advised Funds are charged a low fee of 2% or less, based on the fund's balance. These fees are a funding stream for the Community Foundation, providing operations support, so that we can continue our mission of service to the nonprofit sector and local philanthropists.

*For More Information Contact:*

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