Donor Advised Fund: Wheaton's Flexible Giving Account

WHEATON COLLEGE
For Christ & His Kingdom

Wheaton College Gift Planning Services

Use a Wheaton College Donor Advised Fund to reduce taxes and coordinate your charitable giving!

Primary Uses

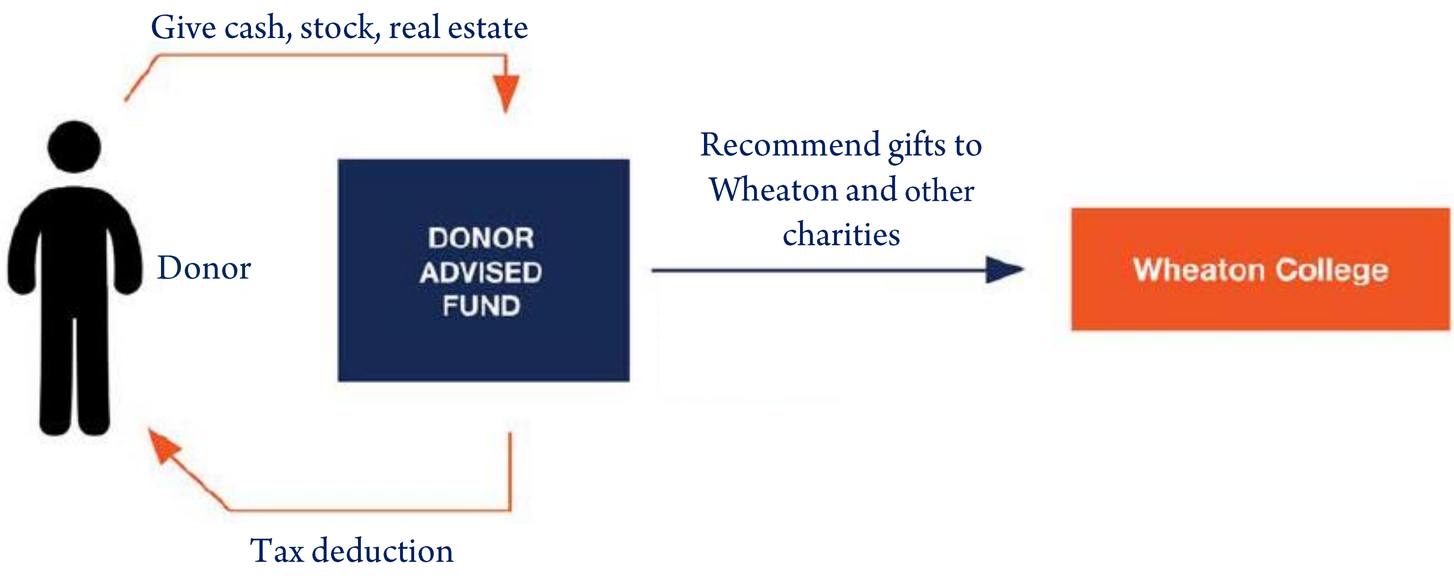
1) Exceed standard deduction by "bunching" several years of giving in a single year, and still give to charities in alignment with your typical giving.
2) Large liquidation of appreciated assets (such as real estate, business, or stock) from lifetime use captures a significant tax reduction opportunity
3) For Estate Giving: Incorporating a DAF simplifies future updates to chosen charities, without the need for attorney assistance

Benefits

- Immediate income tax deduction when funding a DAF
- Avoid capital gains taxes that would be due at the sale of an appreciated asset
- Give complex/appreciated assets to DAF (such as stock, real estate, business interests) that some charities cannot accept, and benefit those charities via DAF grants
- Cost effective alternative to a family foundation

How the DAF Works

Contribute assets to the DAF and receive an income tax deduction. Assets are sold in the DAF, Wheaton College reinvests the proceeds, the Fund grows tax-free, and Donor recommends gifts to charities.



Questions or want more information? Contact Gift Planning Services:

630.752.5332 | gift.plan@wheaton.edu | www.wheaton.edu/giftplan

Wheaton College DAF Details & Options

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Assets Donors May Contribute to a DAF
Cash, public stock (or mutual funds, ETFs, bonds), privately held stock, real estate, business interests

Types of DAF Accounts

1. Short-Term – gifts to be distributed ***within period of 3 years***
   - Ideal for year-end gifts and gifts of assets (such as stock or real estate) that may be difficult to divide among several charities
   - Minimum funding amount: $5,000
2. Endowment – ***long-term (more than 3 years)*** fund grows tax-free over time and provides consistent annual charitable gifts
   - Attractive alternative to complex management of private foundation
   - Minimum funding amount – $25,000
3. Estate/Testamentary – fund used to coordinate donor's various charitable estate gifts. Strategic way to reserve part of estate assets for charity via your estate plan (Will or Trust)
   - Updates to estate gifts made on a simple form, without Will/Trust revisions
   - Donor leaves a charitable estate grant list, or identifies surviving family to recommend grants from DAF
   - Minimum funding amount – $25,000

Investments & Administration

- Short-term accounts – generally invested in a money market fund
- Endowment accounts – invested in Wheaton College Trust Company's common trust funds, composed of a Stock Fund and a Bond Fund.
   - Wheaton College Trust Company pools assets and invests them together to maximize economies of scale. Donor may suggest asset allocation.
   - Common trust fund assets are managed by external investment advisors under the supervision of the Directors and Officers of the Trust Company

Requirements

- IRS requires 5% of the DAF account balance to be distributed to charities annually
   - From the annual distribution amount, minimum gifts to Wheaton are:
      - 25% if the DAF is under $1,000,000
      - 10% if the DAF is over $1,000,000
- Refer to Wheaton College Donor Advised Fund Policies & Guidelines, Account Requirements, and Fee Schedule for further details

The information herein is not intended as legal, tax, or financial advice. Please consult with your attorney, financial or tax advisor for advice specific to your circumstances.