

# Donor Advised Fund: Wheaton's Flexible Giving Account

## Wheaton College Gift Planning Services

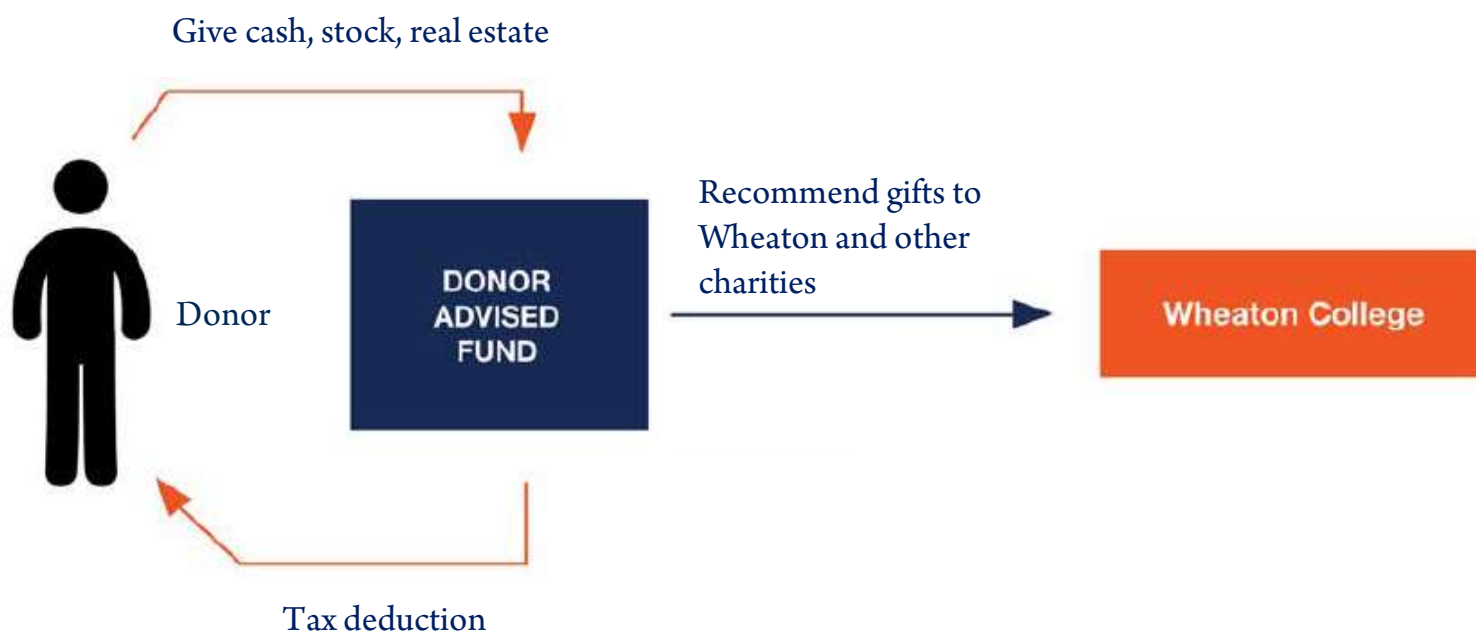
A Wheaton College Donor Advised Fund is a tax-efficient way to simplify your charitable giving!

### Benefits

- Donors receive an income tax deduction when they fund a DAF
- Bunch several years of giving to exceed standard deduction, make grants in future years
- Avoid capital gains taxes that would be due at a liquidation event (such as business sale)
- Give complex/appreciated assets to DAF (such as stock, real estate, business interests) that some charities cannot accept, and still benefit those charities via DAF grants
- Cost effective alternative to a family foundation
- Simplify and easily update estate gifts to various charities by including a testamentary DAF in your estate plan

### How the DAF Works

Contribute assets to the DAF and receive an income tax deduction. DAF sells the assets, Wheaton College Trust Company reinvests proceeds, growing tax-free. Donor recommends gifts to charities!



*Questions or want more information? Contact Gift Planning Services:*

630.752.5332 | [gift.plan@wheaton.edu](mailto:gift.plan@wheaton.edu) | [www.wheaton.edu/giftplan](http://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 burdensome management of private foundation
  - Minimum funding amount – \$25,000
3. Estate/Testamentary – serves as repository for 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
  - Choose to leave a charitable estate grant list, or identify 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 active supervision of the Directors and Officers of the Trust Company

#### Requirements

- IRS requires 5% of 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.