

GIVING BACK THROUGH A DONOR ADVISED FUND



GAVIN HOCKEY WEALTH SPECIALISTS

WHAT IS A DONOR ADVISED FUND?

A Donor Advised Fund (DAF) is a fast-growing instrument that allows an individual to commit funds, avoid estate tax and gain immediate taxable benefit, before the actual donation is made.

WHY USE A DONOR ADVISED FUND?

Creating a DAF is particularly beneficial when an individual knows they would like to give back, but are still unsure which charity they would like to support. Using a DAF allows the donor to stay private and removes the high level of monitoring and reporting required when establishing your own foundation.

ELIGIBLE DONATIONS

Eligible donations to a DAF include: cash, publicly traded securities, private equity interest, bitcoin and other cryptocurrencies.

ADDITIONAL DONOR ADVISED FUND CONSIDERATIONS

- A DAF provides the same benefits as a private charity without operating and overhead costs, resulting in more capital going towards the charitable work.
- The funds in a DAF have the potential to grow tax-free, making the amount of money available for granting to a donor's charity even greater.
- A contribution to a DAF is an irrevocable commitment to charity; the funds cannot be returned or used for any purpose other than contributions to charity.
- A DAF can enhance succession planning, whereby the donor can pass the remaining funds on to beneficiaries or charities. The donor can break the funds up into multiple smaller amounts that can be passed down to multiple beneficiaries and their favourite charities.

HOW IT WORKS

