

## Donor Advised Funds

### **What are they?**

A Donor Advised Fund is a flexible giving vehicle that allows you to support the charities you choose through grant recommendations on your own timetable. Think of it as a “charitable check-book”. It is established at the Rhode Island Foundation by an individual or organization, such as a corporation. It is often a more efficient and cost-effective alternative to a private foundation.

### **What are the benefits?**

#### **Simplicity**

You establish the fund by signing a simple document and making an irrevocable gift of cash, securities, or other assets. You choose the fund name and designate its “advisors.”

#### **Flexibility**

You recommend grants to any qualified charitable organization at any time of the year. The Foundation reviews your recommendations and, if all is in compliance, makes grants to the charitable organizations on your behalf. Donor advised fund grants are processed weekly.

#### **Professional investment and “back office” expertise**

Our “business” is philanthropy and nothing else. We seek to maximize our investment returns, and therefore funds available for the community, by investing prudently in a broadly diversified portfolio that includes stocks, bonds, global investments, and alternative investment strategies. The Foundation acts like your philanthropic “back office” by ensuring compliance, processing grant checks, filing any required returns, and advising you on philanthropy. We can also work with our donor advised funds to fund projects together.

#### **Maximum charitable tax deduction**

Your initial gift to create a fund – and subsequent gifts to support it – receive the maximum tax benefits allowed by law. In addition to cash, the Foundation accepts gifts of securities, real estate, and other personal property, which may help you avoid capital gains taxes on appreciated assets.

#### **A legacy for you, your family, or organization**

The original donor(s) may name a successor advisor to the fund to create a tradition of philanthropy. The fund continues and keeps its name in perpetuity. When there is no remaining successor advisor, your fund will be used to address the most pressing needs in Rhode Island or for a particular field of interest, either topical or geographic.

**Minimum contribution**

The minimum gift to establish a named donor advised fund is \$25,000. The minimum grant from the fund to other qualified charities is \$250.

**How to establish**

Call our Development department at (401) 274-4564. We will listen to you, work with you at your pace, and help you create your philanthropic legacy. All of our discussions are strictly confidential. Unlike one-time gifts you make to your favorite charities, the gift you make to establish a donor advised fund benefits the community forever.

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**DonorCentral is the online portal we offer advisors, providing for grant recommendation submission, viewable gift and grant history, fund balances, and more.**

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