



# Donor Advised Funds

---

## What are they?

A Donor advised fund is a permanent endowment that offers you a flexible and efficient way to support the charities, causes and issues that you care about now and in the future.

You can make contributions to your fund at any time and take a tax deduction for the year in which the gift is made. Assets in the fund are pooled and invested with all the Foundation's assets for long-term growth. Each year, 5% of the value of the fund is available for distribution to charities that you recommend. (*Charities must be in compliance with the IRS Pension Protection Act of 2006.*)

MHCF manages all the administration, investment and distributions to charities.

A minimum of \$10,000 in donated assets (including Securities and mutual fund shares) is required to establish this type of fund. It can be created by an individual, family, group, business, or charitable organization.

Fees: 0.099% Investment Management;  
1% administration

## Highlights

- **Donors are not required to file 990 forms; their privacy is protected.** Donor advised funds are a cost-effective and efficient alternative to a private or family foundation. All funds within the Community Foundation are covered under a single 990 form and a single audit. That minimizes the administrative burden and also allows donors to disclose what they give, when they choose to disclose it.
- **Donor advised funds can be named** such as to recognize the donor(s), a family member, friend, or organization or remain anonymous.
- **We offer opportunities for donors with children to share their values and beliefs about giving with their heirs.** A second generation advisor may be named to make recommendations from the fund into the future.
- **You receive a full tax deduction for your original and any subsequent gifts**, which are invested in a tax-free environment and then used for charitable purposes. The tax benefit is realized while the distribution can be deferred over time.
- **Funds at the Community Foundation are not subject to annual taxes or minimum payout requirements** so they can accumulate for future charitable purposes.
- **You tell us where you'd like charitable distributions directed, and we handle all the administration.**
- **A donor can establish a gift using non-cash assets** including closely-held or publicly traded stock, real or personal property, insurance, appreciated securities and mutual fund shares.