

HIGHGROUND[®]
ADVISORS



DONOR-ADVISED FUNDS

ARE YOU MAXIMIZING THE FUNDRAISING OPPORTUNITY PRESENTED BY DONOR-ADVISED FUNDS?

One of the fastest-growing and most flexible giving vehicles, a donor-advised fund (DAF) is a charitable giving account that is sponsored by a public charity, like HighGround Advisors, and funded by a donor's tax-deductible contributions of cash, stock or other assets. Contributions to a DAF have the potential to grow, tax-free, over time and donors retain the right to recommend grants from the DAF to eligible charities of their choice.

In 2021, there were over 1.2 million DAFs, with a combined total of \$240 billion. That's **\$240 BILLION** set aside and earmarked for charity. The [annual payout rate from DAFs](#) to charities has exceeded 20% every year on record. As DAFs continue to grow, make sure some of that growth is put to work for your mission.

DAF BENEFITS TO NONPROFITS

There are several ways DAFs can benefit your nonprofit:

- 1. GROWTH:** Contributions to a DAF are often invested and professionally managed for the opportunity to grow, tax-free, before being granted to charity.
- 2. CONVENIENCE:** DAFs are simple for your donors to set up, and they ease the administrative burden of donors' philanthropy. When giving is convenient, giving becomes more likely.
- 3. NONCASH GIFTS:** Publicly traded securities and other illiquid gifts that have been held for over a year can be contributed to a DAF at fair market value and are not subject to capital gains tax. Avoiding this tax exposure means more money goes to the donor's charity of choice when granted. Because not all nonprofits are equipped to receive illiquid gifts, a donor can channel gifts like these to charity through their DAF.
- 4. RECESSION-PROOF:** Some donors use their DAFs to bundle their charitable giving or to prefund years of charitable giving with a financial windfall. Donors like these who have previously donated assets to their DAF are poised to meet the needs of charities in times of recession or market disturbance.
- 5. CONNECT WITH YOUNGER DONORS:** While DAFs are more often opened by donors above age 50, an increasing number of millennials are adopting this vehicle. With lower minimums and ease of use, DAFs will continue to grow in popularity with younger philanthropists. With this vehicle, your nonprofit could encourage gifts from younger donors.
- 6. CONNECT WITH THE NEXT GENERATION:** Many DAFs are advised as families, which provides an opportunity for your nonprofit to be introduced to the next generation of donors.

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As DAFs continue to grow, make sure some of that growth is put to work for your mission. If you have any questions about DAFs, call us today at 214.978.3300.

WHY HIGHGROUND:

- 1. ZERO ADMIN FEES**
HighGround does not charge administrative fees on our donor-advised funds, which means more money can be granted to charity.
- 2. NONPROFIT EXPERTISE**
We work exclusively with nonprofits, and as a nonprofit ourselves, we know first-hand the unique challenges nonprofits face.
- 3. LEGAL GUIDANCE & INVESTMENT EXPERTISE**
For over 90 years, our team of expert lawyers and investment professionals has provided guidance to nonprofits and their donors.
- 4. ALIGNED VALUES**
We champion the important missions of nonprofits, churches and ministries.
- 5. DEDICATED SUPPORT**
Our Client Partner Communications Specialist is ready to assist your donors in setting up their DAF, and a personal Account Manager will be assigned to handle all of your donors' ongoing DAF needs.
- 6. GIVE ANYTIME, ANYWHERE**
Through our online portal, donors will be able to open new DAFs, make contributions and recommend grants to your nonprofit – at any time and from anywhere.



Protect. Strengthen. Grow.®

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