**Gifts Through a Donor Advised Fund**

The benefits of using a donor-advised fund are strong and, with the new tax laws, are expected to grow in appeal to strategic donors. They are far easier to establish than a private foundation, allowing you to support the St. Rose Dominican Health Foundation with relatively small amounts of money.

## How does it work?

When you open a donor-advised fund (DAF), you are creating a separate entity with the sole purpose of using the assets under management to support qualified charities.

You can fund it by irrevocably contributing assets such as cash, appreciated stock, insurance proceeds, or other forms of capital. Your DAF is a separate entity, so you can take an immediate tax deduction for the gift amount.

As advisor to the fund, you can choose to manage the investments personally or have an investment advisor manage the portfolio.

The two primary avenues of supporting the Foundation with your donor-advised fund are through a beneficiary designation and recommending grants.

## Beneficiary

By assigning the Foundation or other charitable organizations as a beneficiary, you ensure that when the DAF ceases to have an advisor, the assets in the account get transferred to the Foundation.

## Grants

While you or your assigned successor(s) are advising the fund, you can recommend grants from the fund to support the Foundation or other charitable organizations.

## What are the benefits?

* Receive an immediate deduction on your taxes.
* Assets in the fund grow tax-free.
* Easier and less expensive than establishing a private foundation.
* Allows you to get started with a relatively small amount of money, as low as a $500 gift.
* Tax smart for those using a "lumping" strategy under the new tax laws.

With a low barrier to entry and multiple ways to create a charitable impact, DAFs are a great strategy for charitable giving. If you have questions about setting one up or want more information, please contact the Foundation.

In accordance with the policies of your DAF manager, in some cases, it may be necessary to direct your DAF giving directly to a Dignity Health St. Rose Hospital instead of to the St. Rose Dominican Health Foundation. To help us advise you on how to direct your gift, please contact your DAF manager to find out to which types of nonprofit organizations your DAF allows distributions to be made.