

Donor Advised Funds

Access the giving power of a private foundation without the expense or complexity.

A donor advised fund is a separately identified fund or account that is maintained and operated by a non profit organization. You can open one with a written agreement between you and the organization that gives you (or other family members) the right to recommend that distributions (i.e., grants) be made from your fund to PEP.

One caveat: You cannot *direct* distributions. You have the right only to make recommendations regarding how much, how often and to which charities. Most donor advised funds will follow your advice if it is consistent with the fund's objectives and the selected charities are qualified charities.

How It Works

Once you have created a donor advised fund, you can:

- At any time, make contributions to your fund, which are invested by the sponsoring charitable organization, which then provides a regular accounting to you.
- Recommend that various amounts be distributed to qualified charitable organizations of your choice.
- Receive an income tax charitable deduction for gifts to your donor advised fund. You receive no further tax advantage, however, when grants are made from the fund to other charitable organizations.

Most donor advised funds allow you to start a fund for \$5,000 - \$10,000, although additional contributions may be less.

We recommend that you consult your attorney or financial advisor prior to making any decisions about planned giving.