

FAQs: EFCA Foundation Donor Advised Fund (DAF)

How does the DAF program work?

A donor advised fund is a charitable giving program offered by the EFCA Foundation that allows you to make gifts, gain an immediate deduction, invest the value, and support the causes important to you. This is all done within your own charitable DAF account.

You can recommend – immediately and over time – grant distributions from your fund to support your favorite ministries and charities.

What are some of the advantages of DAFs?

It is a great way to simplify and organize your gift giving. It lessens recordkeeping. You can cluster tax deductions when you need them most and sprinkle out grants over time. We take responsibility to issue and mail the checks to the causes most important to you. We also work to ensure that the recommended charities and ministries are qualified charities from the IRS's perspective. Needless to say, not all charities claiming to be legitimate really are. We do this important research for you.

What is the minimum needed to set up a DAF?

\$5,000

Do you accept cash, publicly-traded securities, and real estate?

Yes!

Cash and marketable securities such as stocks, bonds, and mutual funds are acceptable. We will need to work with you or your broker to ensure the transfer is done exactly right. Real Estate may be acceptable but will need to fully comply with our gift acceptance policies. Contact us to let us know what you have in mind.

Can I really claim an immediate charitable tax deduction?

Yes.

DAFs provide a way for you to combine favorable tax benefits with the flexibility to provide support to your favorite ministries and charities at any time. With outright gifts of appreciated marketable securities, you pay no capital gains taxes.

Your contributions are deductible to the full extent of the law in the year the gift is made. If the contributions exceed the IRS annual limit, the contribution value may be carried forward to the next year. All donations are irrevocable. Consult with your own tax advisor for additional details.

What do you do with the DAF money? Do you invest the funds?

Your DAF contributions are invested and can grow over time.

You can recommend four investment options though we reserve the right to invest in ways that best matches your goals and grant-making plans. See our DAF investment policy for more detail.

Can I support my local church, missionaries, and “regular” charities through a DAF?

Yes. In fact, you may recommend grants to the causes most important to you.

Only 20% of your annual grant recommendations must support the EFCA or EFCA-affiliated ministries. A list of many of the EFCA and EFCA-Affiliated Ministries is available upon request.

How do I recommend grants from my/our DAF account?

Simply complete, sign, and return our DAF Grant Recommendation form.

By Mail: EFCA Foundation, 901 E 78th Street, Minneapolis, MN 55420

By FAX: 952-853-8488 ATTN: Lanny Harris

You are free to name the ministries and charities, identify the grant size, the timing of the gift, the purpose for the funds, etc. We do need this in writing though. Contact us if you need to get a form from us.

Can my grants remain anonymous?

Yes. Simply let us know if you want a grant distribution to remain anonymous and it will.

When do the charities and ministries actually receive the funds?

On the grant recommendation form, you may identify the preferred timing and we will do our best to honor your request. Grants are typically offered on an annual, semi-annual, or quarterly basis. Grants must be for \$250 or more. Let us know what your objectives are regarding grant size and timing and we will do our best to honor your stewardship wishes.

How much do DAFs cost to open?

A current fee schedule is available from the website or upon request. We offer this as a service so we intentionally keep our fees low to encourage better financial stewardship.

Who is eligible to “advise” DAF grants?

It’s up to you.

Simply complete the DAF advisor section within the fund agreement and name who you desire. Usually, married spouses both are named and can both make grant requests. Other family members can also be named to carry on your tradition of charitable giving in the future.

Can I roll over my IRA or retirement plan to fund a DAF?

No.

We wish this were possible, but under current tax law it is not possible to do a direct charitable rollover to fund a DAF. If you use IRA-type assets, you will need to withdraw the funds, claim the income on your tax return, and then contribute cash. This works out fine for many of our donors. See your tax advisor for additional considerations.

If I later need the money I used to fund my DAF account, can I get it back?

No. The gift is considered irrevocable.