

Strategies to Leverage Donor Advised Fund Philanthropy



How to Plan to Cultivate and Steward these Special Supporters

Claire Axelrad, J.D., CFRE

www.clairification.com

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Presenter



Claire Axelrad, J.D., CFRE
Principal of Clairification
Founder of Clairification School

- **Fundraising visionary with 30 years of frontline development work helping organizations raise millions in support:** San Francisco Food Bank, Jewish Family and Children's Services, Jewish Community Center, S.F. Conservatory of Music and California School of Professional Psychology
- **Best Nonprofit Blog** – Fundraising Success Magazine (clairification.com)
- Awarded AFP '**Outstanding Fundraising Professional of the Year**' award
- Principal and founder of **Clairification**, an online year-round fundraising school
- Teaches **CFRE** course that certifies professional fundraisers
- Offers her own '**Winning Major Gifts**' course
- Chief Fundraising **Coach** for Bloomerang
- Regular **contributor** to Candid/Guidestar, NonProfit PRO, Network for Good and is a frequent featured speaker
- Initiated and managed a comprehensive **donor advised funds program** while serving as Director of Development & Marketing for Jewish Family and Children's Services

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Donor Advised Fund Philanthropy is Rising



- **Steady increase every year for past 9 years**
- **In March - June, grants volume increased 69%; dollar value increased 159% over 2019 -- NPT.**
- **Accelerated pace of giving attributed to current events and changes in Federal Tax Law**
- **2019 – 2020 fiscal year saw dollar increase in DAF distributions over previous fiscal year**
 - 54% -- National Philanthropic Trust (NPT)
 - 44% -- Vanguard Charitable
 - 39% -- Fidelity Charitable
 - 33% -- Schwab Charitable
- **University of Pennsylvania study – grant making from DAFs tends to be resilient during economic downturns**

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Why this is Particularly Timely

#HalfMyDAF



- Anyone who makes a grant to us and commits to granting half the money from their DAF before September 30th gives us the chance to be one of 150 non-profits to get a matching grant of up to \$25,000. The more people who nominate our organization, the better our chances.
- We'd love you to consider a donation to....
- You can learn more about the #HalfMyDAF challenge at halfmydaf.com.

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Want a ticket to free money?



Then ... Get in the Game!

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1. You don't want to leave money on the table.
2. You want to offer the best service to your donors.

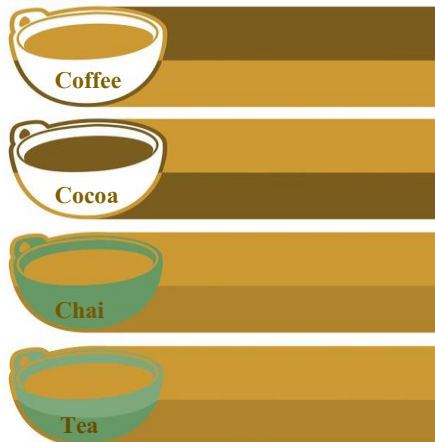
- DAF grants = 3% of U.S. philanthropy
- Grants increased 20% 2016 – 2017
- # of DAFs increased by 60% from 2016 to 2017

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Today's Take-Aways



- What a DAF is/is not
- Who DAF donors are + 6 common characteristics
- 3 ways to best serve DAF donors
- 9 strategies to attract and leverage DAF philanthropy

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What is a Donor Advised Fund?



A DAF Acts As A Philanthropy Parking Lot

Why might a donor want to park a donation in a personal charitable savings account?



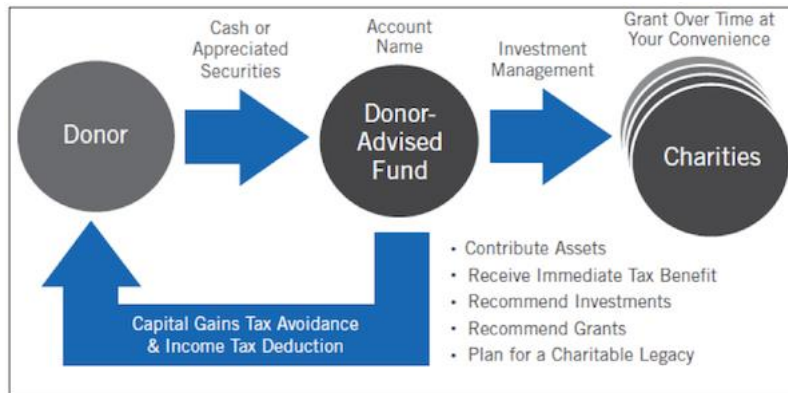
REASONS

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- Unanticipated bonus
- Sale of stake in family business
- Lottery winnings
- Vesting of stock options
- Inheritance

1 Donor Has a Windfall

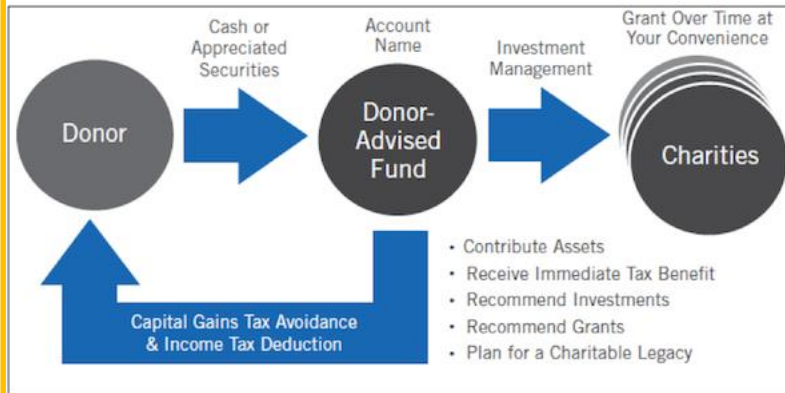


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2 Donor Needs a Tax Deduction This Year



- Wants to take maximum itemized income tax deduction
- Wants to deduct up to 50% of AGI
- Wants to avoid capital gains taxes



Source: Schwab

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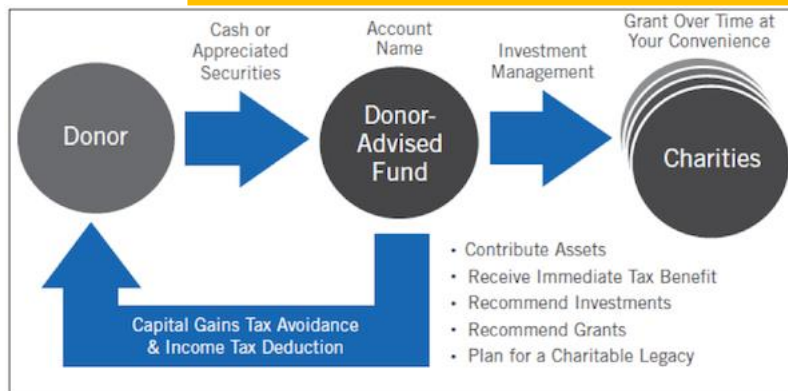
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3 Donor Wants Professional Investment/Advisory Services



- Doesn't want to worry about investing
- Wants tax-free growth
- Personal services



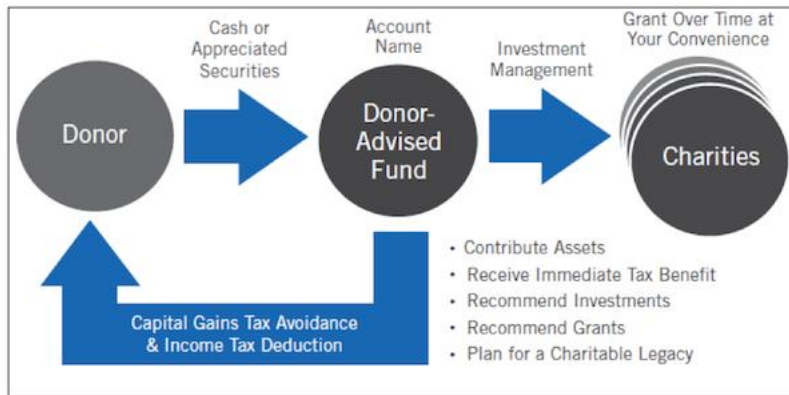
Source: Schwab

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4 Convenience of Centralized Evergreen Philanthropic Account



Source: Schwab

-  Not yet sure which charities should benefit
- Wants to assure money is set aside for philanthropic purposes
- Wants to recommend distributions at convenience over multiple years

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DAF Accomplishes Multiple Donor Goals

1 Parking lot for:

- Unanticipated bonus
- Sale of stake in family business
- Inheritance
- Vesting of stock options

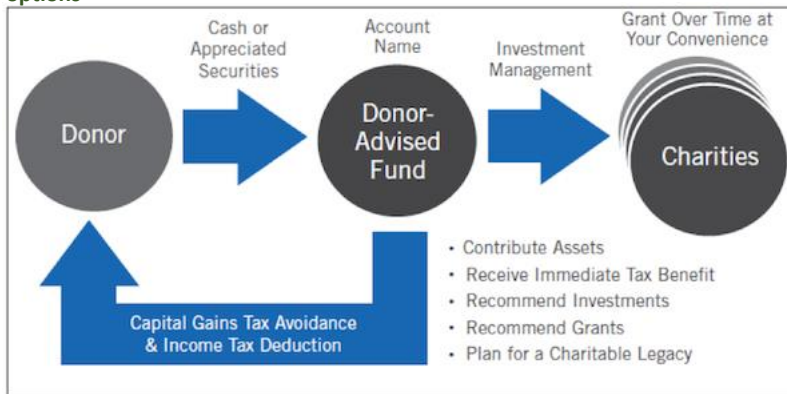


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- Worry-free investing
- Tax-free growth
- Personal services

2

- Benefits from tax savings this year
- Avoids capital gains on appreciation



Source: Schwab

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- Money is set aside for philanthropic purposes
- Ability to recommend distributions to multiple charities for years to come

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Advantages to Park and Shop in a DAF Lot



A DAF Acts As A Philanthropy Parking Lot

- Everything is safe and protected
- Fees are minimal
- Good incentives offered
 - ✓ Tax benefits
 - ✓ Personal services
 - ✓ Can share the space with successors
- Less regulations than private foundation
- Can go shopping at leisure to pick favorite charities

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6 Common Characteristics of DAF Donors



1. Strong prioritization of giving
2. Desire to make an impact today
3. Make larger than average gifts
4. High rate of volunteerism
5. Long-term thinking
6. Desire to engage family members in giving decisions

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3 Best Ways to Serve DAF Donors

Impact of your organization



Impact of donor's DAF gift

Insight into root problems

“DAF giving is rooted solidly in the donors’ desire for greater impact— both in terms of maximizing financial resources for giving, but also for creating a more organized and thoughtful approach to philanthropy, including selecting which nonprofits and projects to fund.”

– Stanford Social Innovation Review

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1 Show Impact Everywhere and Way You Can

At this point in life no one should have to wonder where their next meal will come from.

**Adopt-a-Senior
Change a Life**

Feed a Senior for 1 Month: \$20
Feed a Senior for 6 Months: \$120
Feed a Senior for 1 Year: \$240

WE ARE **Meals On Wheels**
So no senior goes hungry.

707-425-0638
WWW.MEALSONWHEELSSQLAND.ORG

St. Jude @StJude Following

As a doctor and a dad, Julio turned to St. Jude when his daughter was diagnosed with cancer. bit.ly/25BvS27

- Website
- Blog
- Newsletter
- Emails
- Social Media
- Stories
- Videos
- Compelling photos
- Search engine optimization

Is your organization DAF-worthy?

The Power of **Yes.**

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2 Tell What Was Accomplished



DAF gifts come from
an investment

Folks need regular reports on how their investments are doing.

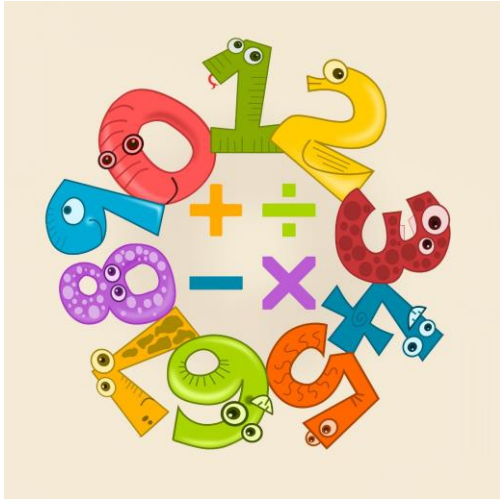
- Create a significant competitive advantage by engaging with donors in ways others don't.
- Delight donors by giving them more than they hoped for.
- Dance with donors in acts of co-creation.
- Build trust to earn privilege of serving again.

3 Meet with Local DAF Sponsor Organizations



- Find out who oversees DAF distribution recommendations
- Reach out to let your community foundation influencers know you exist
- Meet to let them know you'd love to work with them to further their DAF donors' interests

9 Strategies to Attract and Leverage DAF Philanthropy



1. Become a sleuth
2. Look for hints as to donor interests
3. Ask: Do you have a DAF?
4. Follow clues
5. Promotion
6. Maximize Guidestar profile
7. Steward appropriately
8. Engage proactively
9. Make giving easy

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1 Become a Sleuth

Do our donors have established DAFs?
Where are our donors giving?



- Look at DAF donations to other organizations
 - Local
 - Within your field
- Look at annual reports from organizations which are traditional repositories of DAFs
 - Local community foundation
 - United Way
 - Jewish Community Federation
 - Fidelity Charitable
 - Schwab Charitable
 - Vanguard Charitable
 - Silicon Valley Community Foundation

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2 Look for Hints as to Your Donor's Interests

To which causes are our donors giving?



- How might you tailor a philanthropic approach based on these interests?
- Is there something within the depth and breadth of what you do that might align with their giving?

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3 Ask Your Donors if They Have a DAF

Woo Hoo! You have money burning a hole in your pocket!



- It can't hurt to ask
- Find out if they 'bunched' donations last year
- If so, remind them there's money waiting to be distributed – and your cause is definitely DAF-worthy!

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Follow Clues



- When you receive a gift recommended from a DAF try to ascertain the donor's identity so you can steward them appropriately.
- Closely examine accompanying paperwork
 - "Made from the Jen Generosity Fund"
 - "Recommended from the John Doe Memorial Fund"

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Promote Fact You Accept DAF Gifts

Support the IRC through your donor-advised fund

One way you can make a lifesaving difference for refugees is by making a gift through your donor-advised fund (DAF). If you have a DAF, you can simply fill out the DAF Direct form on this page and log into your account to make your grant recommendation.

Your gift today will help the IRC:

- provide medical care, clean water, emergency shelter, and other lifesaving support to refugees caught in crisis;
- support recently resettled refugees in the United States as they adjust to their new homes, learn English, pursue job opportunities, and reclaim control over their future;
- deliver education opportunities for millions of refugee children;
- and provide safety and protection to the most vulnerable populations around the world.

DONATE NOW

Give Online

Your gift via our secure online donation system is tax-deductible and goes toward families, individuals, and seniors who need urgent help. [Donate now >](#)

Give Through Your Employer's Match

Matching gifts provide you with an easy way to potentially double, if not triple, your original donation! [Click here to see if your company will match your donation >](#)

Gifts of Stock

With a gift of appreciated stock you support people in need while bypassing capital gains taxes and receiving substantial income tax deductions. [Click here for stock donation instructions >](#)

Car Donations

The process is simple: [Click here](#) or call 877-913-9937. Our service picks up the car and handles all of the paperwork. The sale proceeds go directly to our programs for children in need.

Give Through Your Donor Advised Fund

Start a Donor Advised Fund at Jewish Family and Children's Services that will serve as your own private "mini-foundation." [Learn how >](#) Or, designate Jewish Family and Children's Services as a beneficiary of your external Donor Advised Fund to support programs of your choice.

[Give now from your Donor-Advised Fund](#)

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Promote DAF Giving in Fundraising/Marketing Materials

Morris Family

DONOR ADVISED FUNDS | DONOR STORIES | NAMED FUNDS



"JFCS is an organization that I have been fortunate to participate in with my children and grandchildren. Through our donor advised fund and our "Morris Family Endowment Fund" for children and seniors our family is confident that JFCS is providing important services for our community – one individual or family at a time."

– Natalie-Ann Morris, Marin County

Make sure all potential donors -- in all your communications channels -- know you accept DAF grants.

Make a small donation to some of the organizations who do this well to see how they handle this.

- Doctors without Borders
- International Rescue Committee
- Natural Resources Defense Council

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6 Provide Comprehensive, Up-to-Date Info to GuideStar-Candid

Giving portals powered by GuideStar

- ✓ AmazonSmile
- ✓ Facebook
- ✓ JustGive
- ✓ Network for Good
- ✓ Salesforce.org
- ✓ VolunteerMatch
- ✓ All major U.S.-based donor-advised funds, such as Fidelity Charitable

Plus

- ✓ More than 35,000 staff from private foundations, such as the California Endowment
- ✓ More than 16 leading community foundations

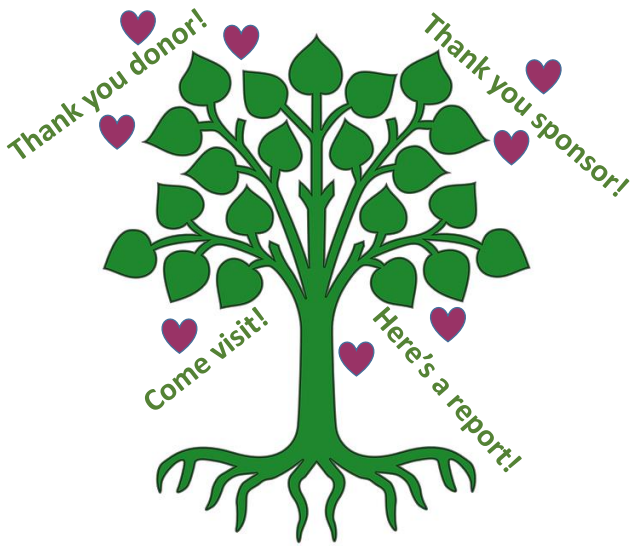
- **Claim your Nonprofit Directory profile**
- **Update your information**
- **Have that information reach tens of millions of donors & funders through more than 200 GuideStar-Candid partners**

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7 DO Steward DAF Donors Appropriately



- **Thank donors for their gift recommendation.**
 - Reassure them you received the distribution
 - Reassure them they're making the impact they intended
- **Also thank the DAF sponsor organization.**
 - Build a positive relationship with influencers who also come in contact with other donors.

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DON'T Confuse Donors



- **DON'T** thank donors for their "tax-deductible gift."
- **DON'T** ask the DAF sponsor to let you know this gift fulfills the donor's pledge.
- **DON'T** tell the donor they will receive anything of value.

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Common Pitfalls: Where Stewardship Goes Awry



Staff not trained to spot and appropriately enter DAF gifts in database

CRM solution doesn't support you in all the ways you need for DAF donors

- How do you handle a donor with a soft credit?
- Does your system automatically acknowledge both donor and sponsor?
- Do you include soft credit donors in donor communications?

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8 Prioritize Proactive Engagement with DAF Donors



- **Consider DAF donors as a special segment for donor cultivation**
- **Ask DAF donors to participate in direct service volunteering**
- **Ask DAF donors to join committees**
- **Consider which DAF donors might be prospects for upgraded and/or major gifts**

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Give to the UW

Home > Give to the UW > Donor advised funds

Donor advised funds

Recommending a gift to the University of Washington through your donor advised fund (DAF) is simple. You can donate directly to the University of Washington Foundation by providing the following information to the sponsoring organization of your fund.

Each organization will have the appropriate forms to complete these donations, which you can usually access through an online portal or working with your fund adviser. Your sponsoring organization can then complete the transaction to distribute funds to the University of Washington Foundation.

Information to Make a Donor Advised Fund Gift

Legal Name: University of Washington Foundation
 UW Foundation Federal Tax ID: 94-3079432
 Mailing Address: 4333 Brooklyn Ave. N.E. Box 359505 | Seattle, WA 98195-9505
 Name of the fund where your gift should be directed and description of the purpose. You can browse through funds* [here](#).
 *Be sure to specify the desired amount of your gift as well.

If you have questions about the information you need to provide to the sponsoring organization of your donor advised fund, please call us at 1-877-UW-GIFTS.

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Make Giving DAF Donations Easy

🔗 Questions

- ▶ Is my donation secure?
- ▶ Is this donation tax deductible?
- ▶ Will I receive a receipt?
- ▶ What is your Tax ID Number?
- ▶ Who can I contact about donating?
- ▶ Can I donate via check or in other ways?
- ▶ How do I give using my Donor Advised Fund?
- ▶ Can JFCS accept Employer Matches?

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Devote a Web Page to DAF Giving

CONTACT US ESPAÑOL [Patient Referrals](#) [Donate Now](#)

About Us
Care & Treatment
Research
Training
Get Involved
Ways to Give
🔍

Gifts you can make today

Learn more about how the gifts that you make today can have a lasting impact on the lives of St. Jude kids in the future.

Browse the page below, or jump to one of the following specific topics:

- [Gifts of cash](#)
- [Gifts of stock](#)
- [IRA gifts](#)

- [Donor advised funds](#)
- [Gifts of real estate](#)

[Foundations giving](#)

[Giving through a charitable lead trust \(CLT\)](#)

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Devote Landing Pages to DAF Giving

Donor advised funds

A donor advised fund (DAF) is a type of charitable investment account that provides an immediate tax benefit to you, and allows you to recommend grants to charities of your choice over time.

Granting to St. Jude through your DAF is simple and easy. You can recommend a gift to St. Jude today, or on a recurring basis (monthly, quarterly, semi-annually or annually) to help the kids of St. Jude.

[Learn More About Donor Advised Funds](#)

St. Jude Children's Research Hospital

Tax ID 62-0646012

Mailing address

St. Jude Children's Research Hospital

501 St. Jude Place

Memphis, TN 38105

Let us know about your gift so we can better plan for our future and thank you for your generosity.

Call us at **(800) 910-3172**, or [contact us online](#).

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Invest in the future of St. Jude through a donor advised fund

Giving through your donor advised fund is quick, simple and can help transform the future for St. Jude patients.

[Learn More](#)

[Grant Now](#)

St. Jude patient Tammy, age 5, brain cancer



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Think from Donor's Perspective

When granting through your donor advised fund, please use the following information:

Tax ID St. Jude Children's Research Hospital Tax ID 62-0646012	Mailing address St. Jude Children's Research Hospital 501 St. Jude Place Memphis, TN 38105
---	--

If you already have a donor advised fund, you can select your financial institution and log in to your account to begin granting to St. Jude:

- | | | | |
|-------------------------------|---------------------|-------------------------------------|------------------------------|
| Fidelity Charitable | Vanguard Charitable | Schwab Charitable | Goldman Sachs |
| National Christian Foundation | Raymond James | Silicon Valley Community Foundation | National Philanthropic Trust |

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AARP Foundation® For a future without senior poverty.

Donor Advised Fund Giving

If you have a Donor Advised Fund giving account you can make a big impact on senior poverty.

It's a troubling fact that over 13.2 million older adults do not have enough money to make ends meet. That's 1 in 7 seniors on limited incomes who simply can't afford to pay for utilities, rent, medication and food.

Giving through your Donor Advised Fund is a powerful way to help struggling seniors. If you've got it, use it!

It really does feel good to give to those in need!



[What is this?](#)

Donate now from:

Designation:

Amount:

NEXT

The provided DAFDirect Widget will take you to your Donor Advised Fund for:

- Fidelity Charitable
- Schwab Charitable
- BNY Mellon

Or click below for one of the following and make AARP Foundation your Donor Advised Fund charitable designation:

- **American Endowment Foundation**
- **Ayco Charitable Foundation**
- **Jewish Communal Fund**
- **Raymond James Charitable**
- **Vanguard Charitable**

Why give

What gift does

How to give

Convenient way to give right NOW

Enable Digital DAF Giving Widget ■ Link ■ Search Tool

×

Give from your donor-advised fund:

GO >

By using this search tool, you agree to the [Terms of Service and Privacy Policy](#).

[Don't see your fund? Let us know.](#)

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Giving Options

You can help protect nature with a variety of giving options. Choose the one that's right for you.

Honor Someone Special >

Recognize loved ones with a gift in their honor or a memorial gift.

Gift Memberships >

Share the inspiration of taking on nature's biggest challenges by giving a gift membership.

Create Your Legacy For Nature >

Help keep the world you love healthy for future generations by making a gift through your will or retirement account.

Donor Advised Funds >

Manage your charitable giving simply and efficiently with a donor advised fund. You can give through an existing giving account or create a DAF with The Nature Conservancy.

Send E-Cards >

Support nature and celebrate any occasion when you send one of e-cards to a special someone today.

Give at Work >

Save all that nature gives us through workplace giving & employer matching gifts.

Put Stock In Nature >

You may be able to give more with less and save on taxes by using appreciated stocks, bonds or mutual funds to donate.

Everyday Ways to Give >

Whether it's running errands or working out, give back to nature just by completing your to-do list.

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ALL PLANNED GIVING OPTIONS

Donor-Advised Funds

CONTACT US > Phone: +1 833-336-7526 Email: legacy@tnc.org Follow

SHARE f t in e

Manage Your Charitable Giving Simply and Efficiently

If you support multiple organizations or you want to secure a charitable deduction now but designate beneficiaries later, a donor-advised fund (DAF) may work for you. They can be established with a number of entities, including community foundations, financial services companies and charities—including The Nature Conservancy.

3

REQUEST INFORMATION

2

MAKE A DISTRIBUTION CAN IT WORK FOR YOU? TNC'S DAF

DAF DIRECT
Directly connecting donors to charitable causes

What is this?

Donate now from:
Please select

Designation:

Amount:
\$

Next

“

The DAF allowed us to donate the stock, avoid the capital gain and get a charitable income tax deduction for the fair market value of the stock on the date of our gift.

PETER METCALF

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MEET PETER AND KATHY METCALF

Meet Peter and Kathy Metcalf

The Metcalfs set up a donor advised fund to simplify how they support the causes they care about most.

READ THEIR STORY

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Don't Turn a Blind Eye to DAF Support



1. Prioritize learning more about this subject
2. Be on the lookout for DAF donors
3. Plan to promote fact you accept DAF grants
4. Plan to cultivate and steward these special donors

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Q U E S T I O N S ? ? ?



Register for
**Winning Major
Gift Fundraising
Strategies e-
Course**



Sign up for free bimonthly newsletter
and get your free copy of

Donor Thank You Calls E-Book + Script

Get tons more great content
by **enrolling in Clairification
School!**

**Philanthropy, not fundraising.
Passionate, not forgettable.**

www.clairification.com

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Additional Questions

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Recording

Presentation handouts

www.stelter.com/webinars

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**How to Plan to Cultivate
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Special Supporters**

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Thanks!