



The Rotary Foundation  
of Rotary International

www.rotary.org

TWENTY-EIGHTH  
EDITION REVISED

# VISIONS

CHARITABLE ESTATE & FINANCIAL PLANNING IDEAS FROM THE ROTARY FOUNDATION

## ENJOY CONVENIENCE AND FLEXIBILITY WITH THE ROTARY FOUNDATION DONOR ADVISED FUND

The Rotary Foundation Donor Advised Fund (TRF DAF) can be an effective way for individuals and Rotary-affiliated groups to create a special account that is earmarked for charitable giving. Establishing a DAF account is much like having a private foundation to support favorite charitable causes, but without the details and responsibility of operating one.

TRF DAF offers the following benefits to all account holders:

**Enjoy convenience:** Concentrate your charitable giving in a single account with consolidated record-keeping that simplifies contribution management, grant recommendations and tax reporting. Make a contribution now and recommend the charitable recipients on a flexible timetable.

**Receive tax benefits:** Qualify for an immediate U.S. tax deduction at the time a gift is made. Contributing stock, mutual funds and retirement plan assets to a TRF DAF account can also help reduce capital gains, estate and/or income taxes.

**Benefit from professional asset management:** Each TRF DAF account is professionally managed and invested under the direction of The Rotary Foundation Trustees, offering the potential for DAF funds to grow on a tax-free basis. This may result in larger gifts to TRF and other charities. TRF DAF offers four investment portfolios ranging from capital preservation to growth.

**Enhance Rotary's image:** Each grant made bears the name of The Rotary Foundation as well as the name of the DAF account from which it was directed.

**Support the programs of The Rotary Foundation and other charities**

In this issue of *Visions*, you will discover how fellow Rotarians have impacted their community and the world through The Rotary Foundation Donor Advised Fund. Read on to learn how you can join them with an Individual or Group account.



Members of the Rotary Club of Fidalgo Island created a DAF account to fund a variety of special community projects. See page 3 for more about Group DAF accounts.

**You Can Now Open a TRF-DAF with \$10,000.**

# INDIVIDUAL ACCOUNTS

Opening a TRF DAF account is fast and convenient. You are eligible for a U.S. tax deduction at the time of the initial gift of \$10,000 or more. Transfers from the DAF account to TRF programs may qualify you for Major Donor recognition as well. Alternatively, you can choose to make your gift anonymously.

TRF DAF can also help your estate planning. At least half of the remaining assets in the Individual account at the death of the last account holder will be transferred to TRF's Permanent Fund. This qualifies you for Bequest Society recognition at the time the account is funded. The remaining percent of the assets can be allocated to other charities at your recommendation.\*

When you establish your account, you may name your spouse and/or your children as successors. If the balance of the account is greater than \$150,000 at the death of the last account holder, those successors would carry on the tradition of giving by becoming account holders themselves. Opening an account with TRF DAF can be a wonderful way to establish a tax-wise legacy of philanthropy in your family.

\*Eligible grant recipients are U.S.-based, IRS-approved charities. Please contact TRF DAF staff if you have questions about eligible grant recipients.



***Past Trustee Mike Abdalla and his wife Jean enjoy the immediate tax benefits of their TRF DAF.*** At the end of each calendar year, they decide which charities they would like to support in the upcoming year. They call these their “come up” grants. “We make our donation to TRF DAF in December to cover our ‘come ups’ for the following year and get an immediate tax deduction,” Past Trustee Abdalla explains. The Abdallas have supported a number of causes in their local community and across the country. In addition to their annual grant to The Rotary Foundation, they support an endowed professorship where Dr. Abdalla completed his residency.

***Past District Governor Hal and Francie Kibby have used TRF DAF to support international projects through TRF Matching Grants, such as Project Amigo.*** DAF funds for this project purchased books for mini libraries in rural schools, furniture for a boarding home for college students and provided clean water to schools in Colima, Mexico.

The Kibbys enjoy the convenience of TRF DAF. “Having funds dispersed through our DAF with TRF is easy for us—just a click of the mouse and the funds are directed to the project of choice with ease and confidence. Having served on the board for another foundation, we know the accounting problems that can arise with the IRS. All this is done for us by TRF. We are confident that our funds are well supervised and accounted for.”



# GROUP ACCOUNTS

Rotary clubs across the country are involved in a variety of projects to help those in need, and they raise funds throughout the year to support those projects. If your Rotary club has considered creating a foundation to offer a tax-exempt option for donors, then you should consider TRF DAF as a cost-effective alternative.

Forming a separate charitable foundation requires you to comply with an array of federal and state laws to establish and maintain non-profit status. See [www.irs.gov](http://www.irs.gov) for further details. However, a Group TRF DAF account can be a simple and inexpensive alternative especially since there are no start-up fees. In addition, annual federal tax filings, detailed accounting practices and due diligence for grant distributions are all handled by TRF.

When your Group DAF account transfers funds to support eligible TRF programs, the DAF account will accumulate Foundation Recognition points. These points can be used to recognize club members or others in your community as Paul Harris Fellows for their generosity and service.

Group accounts are intended to last in perpetuity. Open an account today to start a tradition of philanthropy for your club.



***The Rotary Club of the Escondido Sunrise DAF uses TRF DAF as a successful fundraising tool.*** The account holders look outside of the club for non-Rotarians in their community that welcome the opportunity to participate in projects where their payback is the assurance that their donations are wisely spent. “Donors outside of Rotary find this addictive. The world is filled with wonderful people. Rotarians can help them support

worthwhile projects,” one account holder says. Escondido Sunrise recently used its TRF DAF to create a challenge grant that raised \$120,000 for TRF’s PolioPlus campaign.



***The Rotary Club of Fidalgo Island decided to open an account with TRF DAF instead of operating a private foundation.*** Account holder Steve Rutz says, “Our club decided to open a DAF account because we felt it was a solid solution with less legwork and hassle, and it is much more cost effective than applying for 501(c)(3) status with the IRS. We wanted to open an avenue for tax deductible contributions so members and friends of our Rotary club could donate and be eligible to receive tax deductions. TRF DAF provided that avenue with little to no effort and was quick to set up.”

# How Do I GET STARTED?



2,000 children received immunizations thanks to a grant from the Haiti Earthquake Relief DAF. Rotarians have contributed more than \$2 million to this DAF.

1. To open an account, just complete an application, which can be found at [www.rotary.org/daf](http://www.rotary.org/daf), sign it and send it to the address provided. Within 30 days, fund the account with a minimum of U.S. \$10,000 in the form of a check, stock transfer or other approved method of funding. Group accounts have 2-4 account holders. Individual accounts are designed for an individual or couple (a maximum of 2 account holders).
2. Recommend how you would like the funds invested by selecting one or a combination of four investment portfolio options.
3. Recommend grants to The Rotary Foundation or other approved charities on your timeline.

Account holders receive quarterly statements detailing contributions, investments, and grant activity. TRF DAF is online, allowing account holders the option of reviewing this information anytime on the web platform.

Each July, Individual accounts transfer \$250 and Group accounts transfer 1% of the fair market value of the account to The Rotary Foundation's Annual Programs Fund. TRF DAF gives account holders an opportunity to support TRF programs each year and earn Paul Harris Recognition points.

Please return the enclosed response card for a no-obligation packet of information.

TRF DAF is currently structured for a U.S. audience and all figures are in U.S. dollars.

## FOR MORE INFORMATION

*The Rotary Foundation staff will be happy to work with you, your advisors and your Rotary club as you explore the opportunities of a TRF DAF.*



THE ROTARY FOUNDATION  
DONOR ADVISED FUND

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