

# The Rotary Foundation Donor Advised Fund

Create a charitable giving account within The Rotary Foundation. A Donor Advised Fund (DAF) account lets you make tax-deductible contributions today and recommend grants to The Rotary Foundation and other favorite charities at your convenience.\*

Grants made in your name and the name of The Rotary Foundation show your support for Rotary and remind others of the many ways Rotary is doing good in the world.

## **How It Works**

- **Give a gift.** Make a tax-deductible contribution to The Rotary Foundation.
- **2 Let it grow.** Advise the Foundation how to invest account funds in one (or more) of four investment portfolios, potentially increasing the charitable dollars available for grants, tax-free.
- **Make a difference.** Recommend grants to any IRS-approved charity of your choice, and support Rotary's work through a yearly grant to the Foundation's Annual Fund.

## **Key Benefits**

- Maximize tax deductions in years when they are most beneficial.
- Avoid capital gains tax on gifts of appreciated stock.
- Contribute complex gifts such as privately held stock, mutual fund shares, and retirement plan assets.
- Leave a legacy to Rotary without updating your will or estate plan.
- Recommend grants anonymously.

# **Individual and Group Accounts**

#### **Making contributions**

- \$10,000 minimum to open an account
- Additional contributions of \$1,000 or more
- Assets accepted: cash, stock (including publicly traded and closely held shares), bonds, and mutual fund shares

#### **Recommending grants**

- \$250 minimum grant amount
- Recipient may be any IRS-approved charity
- Unlimited number of grants allowed annually

DAF Features	Individual Account	Group Account
Account holders	Individual or couple	Rotary-affiliated group, such as a Rotary club, district, Rotary Fellowship, or Rotarian Action Group
Yearly transfer to Annual Fund	\$250	1% of fair market value of account as of 1 July
Possible successors	If the account balance is \$150,000 or more when the surviving spouse dies, children may succeed parents as account holders or the remaining funds may be moved to a legacy account	Account holders can be added or replaced at any time, as long as there are at least two (and no more than four) at all times
Gift to the Endowment Fund	At least 50% of the account's value at the time of the death of the surviving spouse	May choose to recommend a grant to the Endowment Fund at any time
Recognition for DAF contributions	Eligible for Bequest Society and Benefactor recognition because 50% of the account balance will go to the Endowment Fund	None
Recognition for transfers from DAF to Rotary Foundation programs	Eligible for Paul Harris Fellow and Major Donor recognition	Eligible for Paul Harris Fellow recognition

Fees: 1% annual fee for administrative and investment services.

<sup>\*</sup>Tax deductions discussed in this publication refer specifically to U.S. federal taxes at the time of printing and are subject to change. Tax benefits may vary by individual and by state. We encourage you to consult your tax adviser to discuss the potential benefits of a Donor Advised Fund account.

# **Legacy Accounts**

- Make a minimum contribution of \$75,000 or name a legacy account as the successor to an individual account (provided that the initial balance is at least \$75,000).
- Recommend a recurring yearly grant to The Rotary Foundation's Annual Fund of at least 1% of the value of the account or \$1,000.
- Designate up to one other IRS-approved charity to receive a recurring annual grant.
- Annual grants must total 4.25% of the value of the account.
- The Rotary Foundation, at the Trustees' sole discretion, will continue to make the annual grants as long as the account balance is \$25,000 or more.
- Fees: 1% annual fee for administrative and investment services.

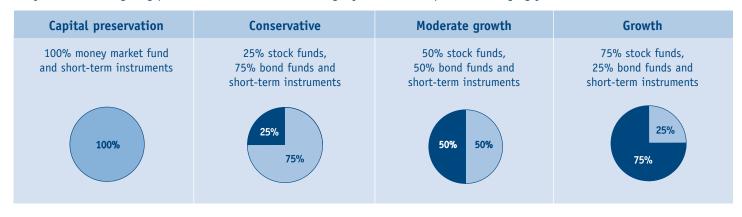
## Like a Private Foundation, but Better

Donor Advised Funds are frequently compared to private foundations, but they offer significant advantages.

Rotary Foundation DAF	Private Foundation
No start-up fees	Start-up fees
Generally 1% or less is granted annually to The Rotary Foundation	5% annual distribution is required
No excise taxes	Excise taxes of up to 2% of annual income
Full charitable deduction (100% of fair market value)*	Partial charitable deduction*
■ Up to 50% of adjusted gross income for cash contributions	■ Up to 30% of adjusted gross income for cash contributions
■ Up to 30% of adjusted gross income for appreciated securities	■ Up to 20% of adjusted gross income for appreciated securities
DAF handles legal, administrative, and filing requirements	Donor is responsible for annual IRS filing and other legal and administrative requirements
Donor may choose to remain anonymous	Tax return is public record

## **Investment Portfolios**

You can recommend how your account funds are allocated among four portfolios, with the following investment priorities. If your charitable giving plans or market conditions change, you have the option of changing your investment recommendations.



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For a complete description of the program rules, please see The Rotary Foundation Donor Advised Fund Program Circular, available on www.rotary.org/daf or by calling 847-866-3100. The Rotary Foundation reserves the right to modify the Donor Advised Fund program at any time.