



Make a Gift that Keeps on Giving

Managing and Maximizing Your Giving with a Donor-Advised Fund

Are you looking for a simple, flexible tool that allows you to manage and maximize your giving to support the causes that matter most to you? Would you like to have the ability to make a single significant gift to support multiple charities? Are you interested in a way to simplify your annual and lifetime charitable giving?

If you answered yes to any of these questions, you should consider creating a Donor-Advised Fund.

How can a Donor-Advised Fund benefit you?

Many families find that a Donor-Advised Fund (DAF) is an excellent alternative to a private family foundation because it offers a uniquely flexible way to address an individual's or family's charitable interests over both the short and long term. By establishing such a fund, you can time the gifts you make (for investment or tax reasons) and you can select the charities you wish to benefit from your gifts. Plus, you receive the income or estate tax deduction, and the opportunity is there to make distribution decisions later.

A Donor-Advised Fund has several advantages when compared to a private foundation. The start-up time and costs are minimal, and gifts to a DAF are generally deductible at fair market value. In addition, a Donor-Advised Fund is not subject to the distribution requirements and certain excise taxes faced by private foundations.

Here are a few benefits to creating a Donor-Advised Fund to consider:

- **Deductibility.** You may be entitled to take an immediate income tax deduction each time you make a gift. Contributions of appreciated capital assets avoid capital gains taxes.
- **Flexibility.** You can give when and where you want. Take your time deciding how to designate your giving. There is no deadline for making distributions.
- **Simplicity.** A DAF is easy to set up and helps you avoid the extensive bookkeeping and check-writing that is often involved in charitable giving.
- **Multiplicity.** You can make a gift of one large asset to fund multiple charitable interests.
- **Versatility.** You can make gifts to your DAF using cash, appreciated securities and a variety of other assets.¹
- **Privacy.** You can designate your grants anonymously if you wish.
- **Family.** You can engage your family in the journey and joy of generosity.
- **Legacy.** You can ensure that your legacy continues by leaving instructions with your heirs directing them to give. Giving from your DAF through your estate can also simplify your charitable estate bequests.



How do you set up a Donor-Advised Fund?

A Donor-Advised Fund is your own charitable fund, named after you and administered by Covenant Trust. You can make contributions to your fund; which we will invest to benefit the causes you care about. Once your fund is created, you, or the person you designate as the fund's 'Advisor', can advise us to make grants from your fund to support the work of your favorite charitable causes. A Donor-Advised Fund is easy to create with a few simple steps.

1

Complete our simple Donor-Advised Fund application.

Please contact us for a copy of the application.

All Donor-Advised Fund gifts are to be made to the Evangelical Covenant Church and will be coordinated and processed by Covenant Trust. The written agreement used to establish an individual Donor-Advised Fund shall be between the Evangelical Covenant Church and the Donor.

2

Make an initial gift of cash or an appreciated asset to fund a Donor-Advised Fund at our organization.

- Submit your irrevocable tax-deductible contribution to the Evangelical Covenant Church. An initial donation of \$10,000 or more is required to establish a Donor-Advised Fund. Additional gifts to a Donor-Advised Fund must be \$5,000 or more. There is no maximum gift amount.
- Contributions are placed in your named Donor-Advised Fund and investments are professionally managed by Covenant Trust on behalf of the Evangelical Covenant Church.

3

Make grant recommendations from your Donor-Advised Fund.

- The Advisor can recommend, in writing, the gifts to be made from your fund to qualified charities, including Covenant ministries. The minimum gift distribution from a Donor-Advised Fund is \$500. Any recommended charity must have goals and objectives compatible with those of the Evangelical Covenant Church.²
- During each calendar year, every Donor-Advised Fund is required to distribute to charity 5% or more of its January 1 value, or a minimum of \$500.³

4

You can designate successor Advisors to continue to recommend charitable distributions from your Donor-Advised Fund after you pass away.

1. Real estate, personal property assets, such as coin or stamp collections, etc. require prior approval from Covenant Trust. The Donor is responsible for securing an appraisal of such property before approval. Since donations of real estate and/or personal property assets require special effort, the Donor may incur expenses that are unique to the transfer of such assets. 2. Covenant Estate Planning Services reserves the right, in the exercise of its sole and absolute discretion, to approve or disapprove distribution recommendations. 3. If the required 5% distribution has not been made from a Donor-Advised Fund by December 25th of each calendar year, it shall be made automatically. The Donor will be encouraged to include a 'default' charity in the fund agreement, but if there are no written recommendations or default provisions on file from the Donor regarding distribution, the 5% distribution shall be made to the Evangelical Covenant Church to be used where needed most.