

Donor-advised Funds

Tools and tips for Parish Stewardship & Episcopal Development Leaders

Jim Murphy, Managing Program Director

Episcopal Church Foundation

Joe Tackett, Planning & Development Officer

Presbyterian Foundation

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The Episcopal Church Foundation (ECF)

Independent, lay led organization, founded in 1949

Empowers congregations through visioning and planning, leadership development, and raising financial resources for ministry

Through our programs, ECF is helping to build a Church characterized by:

- Lay and clergy leaders work together to transform the Church
- Healthy, vital, vibrant Episcopal communities of faith
- Meaningful opportunities for Christian stewardship and effective fundraising
- Innovative, mission-based ways to be the Church of the future



What is the Episcopal Church Foundation (ECF)?

Overview:

- Independent and lay-led foundation
- ECF's mission is to strengthen the **leadership** and **financial** capabilities of Episcopal congregations, dioceses, and other institutions
- ECF carries out this mission through a wide array of programs including...



Leadership Resources

- ECF Vital Practices (ecfvp.org)
- Vestry Resource Guide
- Fellowship Partners Program
- Educational Events
- Vital Teams

Financial Resources

- Capital Campaigns
- Planned Giving
- Endowment Management
- Annual Giving/Stewardship
- Strategic Resources



What is a donor-advised fund?

A donor-advised fund, or DAF, is a philanthropic vehicle established at a public charity. It allows donors to establish their own individual fund, make charitable contributions to that fund, and receive an immediate tax benefit for that contribution. The donor then recommends grants from the fund to qualified charities.

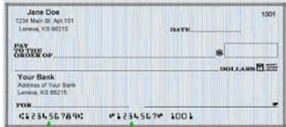


DT1

What is a donor-advised fund?

A hybrid...

checking,



savings,

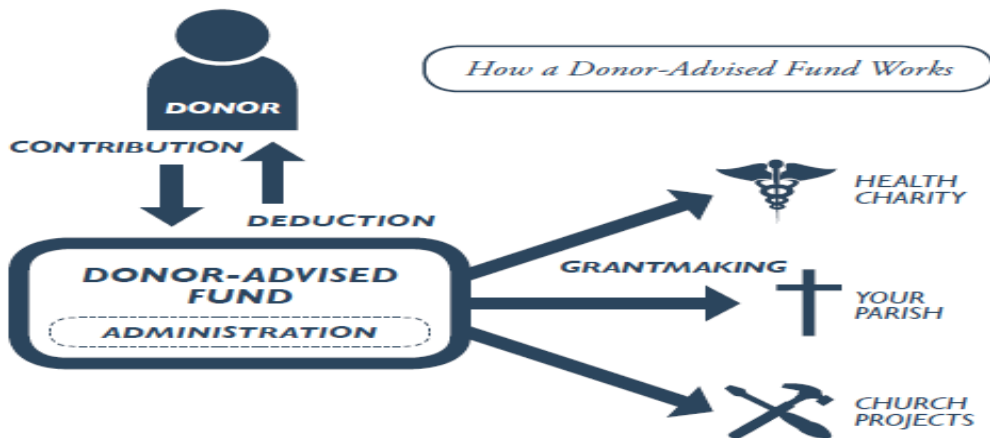


& investment



account exclusively for charitable giving

What is a donor-advised fund?



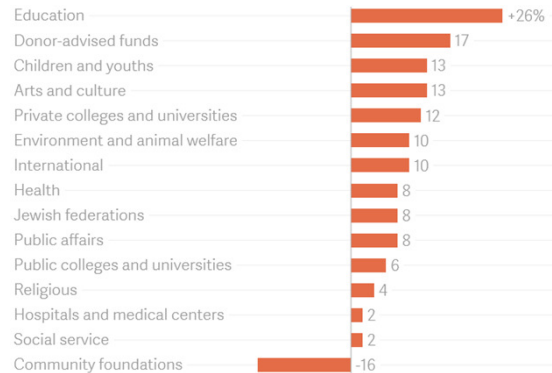
Slide 5

JT1 Joe Tackett, 3/31/2017

Why is it important to know about DAFs?

- Donor-advised funds are now some of the largest repositories of charitable dollars in the United States.
- Soon donor-advised funds could account for 10 percent of all individual giving, based on figures from "Giving USA" and the National Philanthropic Trust
- More and more charities have begun to offer their own donor-advised funds, among them hospitals, universities, Rotary International chapters, small churches, and even United Way affiliates.

Change in Giving to Philanthropy 400 by Cause, 2014 to 2015



<https://www.philanthropy.com/article/Fidelity-Overtakes-United-Way/238186>

What is special about an ECF DAF

- Anyone, even non-Episcopalians, can create one
- Minimum donation of \$2500.
- Make as many grants as you want for \$100 or more each.
- 24 hours/7 days a week access to dedicated on-line portal
- Numerous investment options available
- Over 5 years, at least 51% of grants made need to go to Episcopal churches, dioceses, schools, camps or other Episcopal organizations
- You can also make grants to any qualified charity



ECF-DAF: Online Access 24 hours a day

ECF EPISCOPAL CHURCH FOUNDATION
empowering congregations

Hello, James Murphy

PROFILE & SETTINGS FAQ SIGN OUT

NAVIGATION

[Home](#)
[Grant History](#)
[Recurring Grants \(0\)](#)
[Contribution History](#)

ADVISOR FUNCTIONS

Grants
 Pending | [History](#)

Fund
[Manage](#)

Contributions

ANNOUNCEMENTS

YOUR BOARD ROOM

Votes Pending: **0**
 Oldest Vote: **0 days**

MY CONTACTS

[Contact Us](#)
onlineservices@churchfdn.org

ECF EPISCOPAL CHURCH FOUNDATION
empowering congregations

The Don't Cheat Sheet

1. Don't allow or encourage parishioners/members to pay pledges with grants from their DAFs
2. Don't allow DAF grants to be used for the donor's personal benefit (ex-memberships, tickets or other benefits)
3. Don't accept grants into non-approved legal structures
4. Don't provide the donor with a tax acknowledgement letter

Important DAF Restriction

***DAFs CANNOT BE USED TO FULFILL PERSONAL PLEDGES
OR A FINANCIAL OBLIGATION OF THE DONOR!***

<https://www.irs.gov/pub/irs-wd/00-0140.pdf>

COR-110814-00

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A charitable pledge is an obligation of the donor to give money or property to a charity at a future time. Where a charity (including a charitable organization of which a donor advised fund is treated as a component part) relieves a donor of a substantial obligation by satisfying the donor's pledge, the charity is providing the donor with an impermissible benefit. Accordingly, a donor's charitable pledge may not be fulfilled by a single payment or a series of payments from the charity.

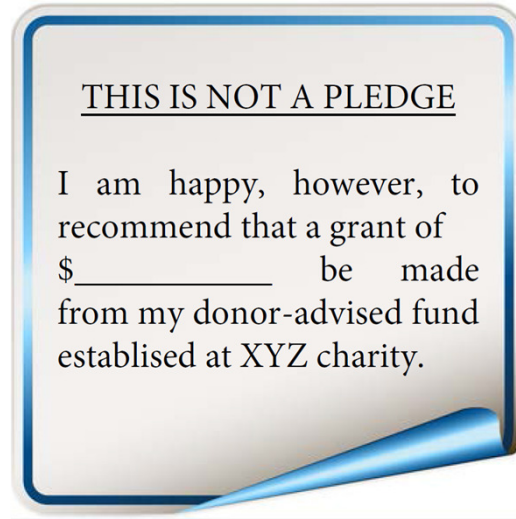
I hope that this information is helpful to you. If you have any further questions, please contact Susan Kassell of this office at (202) 622-4930.

Sincerely,

Michael D. Finley
Chief, Branch 3
Income Tax & Accounting

Examples of Revised Pledge Cards

The “sticker” approach



Examples of Revised Pledge Cards

The separate document approach

Donor Name _____
 Address _____
 City _____ State _____ Zip _____
 Phone _____ Email _____

I intend to recommend the following grant from my donor-advised fund account to:

_____ (grant recipient organization name)

A \$ _____ grant on _____ (date) _____.

A \$ _____ recurring grant to be issued _____ (yearly, quarterly, monthly) starting in _____ (month) _____ (year) and ending in _____ (month) _____ (year) _____.

A \$ _____ grant upon my death.

Examples of Revised Pledge Cards

The additional language approach

Sample Pledge Card

In thanksgiving for all that God has given us and to support the ministry of this congregation.

For those using Donor-advised Funds, please use this section*:

I/we intend to request our Donor-advised Fund to make the following Grant(s).*

A grant of \$_____ on _____ (date)

A recurring grant of \$_____ to be issued _____ starting _____ (yearly/monthly) (month/year)

A grant upon my/our death

*Grants from Donor-advised Funds cannot be used to satisfy personal pledges or in exchange for personal benefit.

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PLANNED GIFTS:

I/we have made a charitable gift through our estate plan.

I/we would like information about ways of making a planned gift from my/our estate.

The Do Cheat Sheet

1. Do acknowledge that DAFs exist and are becoming an increasingly common and important component of philanthropy.
2. Do mention that you accept DAF gifts in your contact points.
3. Do provide a thank you letter to your DAF grantors.
4. Do get to know your DAF grantors.
5. Do let your needs as a parish be known.

The DAF process in 4 simple steps

Step 1: Grant submission

The donor submits a grant request to the sponsoring organization. Organization approves or denies.

DONOR-ADVISED FUND Grant Recommendation

Please complete this form to recommend a grant to a charitable organization. Recommendations will generally be acted upon within two business days following submission of the recommendation and will be mailed directly to the charitable organization.

You can also make this recommendation online at: www.episcopalchurchfoundation.org/programs/daaf

PRIMARY ADVISOR & DAF INFORMATION

Primary Advisor Name: _____
 Telephone: _____ Email Address: _____
 DAF Name: _____ Account Number: _____

GRANT RECOMMENDATION & ACKNOWLEDGEMENT

I recommend a grant in the amount of \$ _____ (minimum \$100) be made from the above-named DAF to the following charitable organization:

Grant Recipient Official Name: _____
 Organization's Employer Identification Number (if known): _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Contact Person at Organization (if known): _____
 Contact Telephone or Email Address (if known): _____
 This grant is intended for (special purpose, if any, such as a particular project/fund): _____

ECF 475 Riverside Drive, Suite 750 | New York, NY 10115 | 800-697-2858 | www.episcopalchurchfoundation.org



The DAF process in 4 simple steps

Step 2: Grant recipient receives the funds

The parish receives the grant and accompanying documentation

EPISCOPAL CHURCH FOUNDATION
empowering congregations

April 07, 2017

Church/Charity Name
Church/Charity Address

Dear Friends:

We are pleased to enclose a check in the amount of \$32000.00 representing a grant from the "name" Fund, a Donor-Advised Fund (DAF) program of the Episcopal Church Foundation. The grantee includes the following note: "charitable intended purpose or other note". This grant is being made by "name of Grant Advertiser(s) (unless made anonymously)". If you wish to thank the Primary Granting Advertiser, you may write to "grant advertiser(s) address".

It is not necessary to send ECF any tax receipt or acknowledgment letter for this grant. By accepting this grant your parish or organization affirms that this grant is not to satisfy the payment of a pledge or other personal or corporate obligation on behalf of the Primary Granting Advertiser, and no goods or services (memberships, tickets or other benefits) will be given to any individual or entities in exchange for this grant. If any public announcement is made of this grant, ECF would appreciate if you would note the above named fund in the Episcopal Church Foundation.

Should you have any questions, or if we can be of further assistance, please contact Josh Anderson at 1-800-697-2858, or e-mail us at jginn@episcopalchurchfoundation.org

Sincerely,

James W.N. Murphy
Managing Program Director
Episcopal Church Foundation

Enclosure: Check



The DAF process in 4 simple steps

Step 3: Thank the donor

Gift acknowledgement is a critical part of ensuring repeat gifts.

<insert church or organization logo>

<date>

Grantor(s)
Grantor Address

Dear <names of grantor(s)>:

It is our pleasure to acknowledge the receipt of the \$ <insert amount> grant which you recommended from the <named fund> of the Episcopal Church Foundation's Donor-advised Fund (DAF) on <insert date> to benefit <insert purpose if noted>. Thank you so much for your commitment to <parish> <organization>.

This letter is not a written acknowledgment for purposes of the IRS and should not be used to substantiate a charitable contribution on your personal tax return. However, this letter does serve as confirmation that you were provided no goods or services (memberships, tickets or other benefits) in consideration for the above mentioned grant and that it was not used to satisfy a pledge commitment or other personal or corporate obligation.

<insert personal or particular note>

If you have any questions or if we can be of further assistance, please contact <contact name> at <ph #>, or e-mail us at <e-mail>.

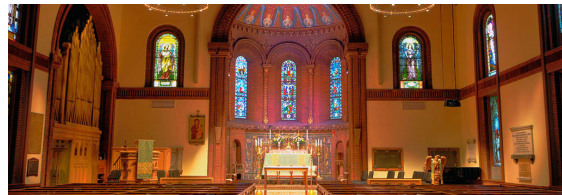
Sincerely,

|
<insert signer>
<title>, <parish/org>

The DAF process in 4 simple steps

Step 4: Follow up with the donor

Let the donor know the ways your parish and their gift (if possible) are creating a positive impact



American Red Cross



Impact on Ministry and Donor Needs



Clyde W. Kunz

Cultivating gifts from DAFs



Greg Rousos

&

Karl Mattison



The Presbyterian Church (USA) Foundation

Is an ECF DAF right for your constituents?



Contact ECF to discuss:

Call: 800-697-2858

or E-mail:

giving@episcopalchurchfoundation.org

Recorded Webinars to Empower your Leaders

- Basics of Planned Giving for Parish Leaders
- Basics of Endowment Management for Parish Leaders
- Prospective Donors of Planned Gifts
- Basics of a Capital Campaign
- Annual Stewardship
- Vestry Leadership 101

For links to recordings visit: www.ecfvp.org

Upcoming Free Live Webinars

*Check our website, under
Events, for more info.*



At your service

ECF always available to assist at (800) 697-2858

Jim Murphy, Managing Program Director, Financial Resources
jmurphy@episcopalfoundation.org

Ken Quigley, Senior Program Director, Endowment Management Solutions
ken@episcopalfoundation.org

Susan Erdey, Program Director, Endowment Management Solutions
serdey@episcopalfoundation.org

Josh Anderson, Assistant Program Director, Financial Resources
janderson@episcopalfoundation.org

Demi Prentiss, Financial Resources Consultant
dprentiss@episcopalfoundation.org

Andrea Zmuda, Program Associate, Constituent Relations
azmuda@episcopalfoundation.org

