

# Donor-Advised Fund (DAF)

This is a tax-smart way to give. Here are some of the reasons:

- You can take an immediate tax deduction of funds put into the DAF account, then advise on which organizations receive grants from that account over time.
- You can donate stocks that have appreciated in value over time to the DAF, without paying a capital gains tax on the appreciated value.
- Possibility to itemize on your tax return. The 2017 US tax cuts included a larger standard deduction, so most charitable contributions can no longer be itemized, thereby losing the tax savings. Instead with a DAF you can put a relatively large amount money and/or stocks into a DAF in one year, going above the standard deduction and itemizing, then distributing grants to charities over time.
- Assets placed in the DAF continue to be invested in the market and you control investment allocations until the funds are granted to a charity.

Disadvantages:

- Transferring funds to a DAF is an “irrevocable gift” which means you can’t get them back.
- There is a process for giving: You request a grant, the grant can take a few days to be approved, then the charity is sent money from the DAF organization. You can set up scheduled grants to be paid every month.

## Organizations that specialize in DAF’s

Here are a few of suggestions of organizations that specialize in DAF’s. This is not intended to be an endorsement, so find the organization that is right for you:

**Fidelity Charitable:** <https://www.fidelitycharitable.org/>

**Everence:** <https://www.everence.com/> - [Fact Sheet](#)

**Schwab DAFgiving360 (formerly Schwab Charitable):** <https://www.schwab.com/>

**Vanguard Charitable:** <https://www.vanguardcharitable.org/>

Short Video on DAF’s: <https://youtube.com/shorts/Aubd3x3k04M?si=U5fwkztFzYDplPR9>