



KEYS TO EFFECTIVE GIVING

Donor-Advised Funds

*“Linking Vision
with Ministry
Through Gift
Planning”*

The fastest growing form of charitable giving is the **Donor-Advised Fund (DAF)**. Donors create a DAF held by the Foundation by making contributions in either cash, stock, bonds, land, buildings, or virtually anything of value.

There are substantial benefits in creating a DAF which may include:

- Reduced income, estate and property taxes.
- Avoidance of capital gains taxes.
- Immediate charitable income tax deduction.
- Capitalizing on the appreciation in value of the property.
- Excellent substitute for a private foundation.
- Accelerating the work of ministry.



The Basics of DAFs

DAFs are irrevocable and unconditional gifts which are placed in a separate fund with the Foundation. Strictly speaking the donor retains no control over the contributed funds, however, the donor is allowed to make non-binding advisory recommendations for the use of his or her contributions. It is the policy of the Foundation to follow the recommendations of the donor provided such recommendations are consistent with the ministry and values of the Foundation.



Alternative to Private Foundations

A DAF with the Foundation is an excellent alternative to the use of a private family foundation. See a more detailed comparison on the reverse side.



Accelerate the Work of Ministry

While providing substantial tax benefits and income opportunities, the use of the DAF is an effective tool in helping you fulfill your part in the Great Commission. Generous giving to the various ministries of the church help bring the message of the Gospel and holiness to world.



Request More Information

Please feel free to contact our office for more information or visit our web site.



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Donor-Advised Funds

A Comparison of Private Foundations and Donor-Advised Funds

| PRIVATE FOUNDATIONS | DONOR-ADVISED FUNDS |
|--|--|
| Substantial legal and accounting fees incurred by incorporation and obtaining tax-exempt status | Sign a simple agreement |
| Must perform financial and administrative services or contract or hire staff; annual 990 PF tax return required | The Foundation handles all financial, tax and administrative management and provides an annual independent audit |
| Complete information on your contributions and disbursements are public record | Your DAF is confidential |
| There is an excise tax of up to 2% on investment income | None |
| Deductions for cash gifts are limited to 30% of adjusted gross income | Deductions for cash gifts are limited to 50% of adjusted gross income |
| Deductions for capital gain property is limited to 20% of adjusted gross income | Deductions for capital gain property is limited to 30% of adjusted gross income |
| The valuation of deduction is based on cost basis, with the exception of full appreciated value for publicly traded securities | The valuation of deduction is based on full appreciated value |
| Must payout at least 5% of assets every year | No minimum annual distribution requirements |
| Must verify the charitable status of all recipient organizations | The Foundation verifies the charitable status of all recipient organizations |
| Uncertainty of how well the family will work together in the future | The Foundation has procedures in place, staff and a board to ensure an ongoing quality operation |

This information reflects, in very general terms, how a gift might affect specified tax liabilities. This is not an effort to reflect your current tax picture or suggest that a particular gift will have the indicated result in your case; only your lawyer and accountant can do that. We suggest you consult your professionals before acting upon the concepts reflected here.