

**Donor-Advised Funds (DAF)** can be an excellent way to consolidate and simplify your philanthropic efforts. It is best seen as a giving account that can act as the source for all of your charitable dollars. The donor-advised fund works as follows:

1. Transfer the assets you have marked for charitable giving to your DAF and receive an immediate tax deduction in the year the transfer was made. Depending on which organization you choose to work with, eligible assets can range from cash to more illiquid assets such as shares in a privately held business, real estate, and sometimes even collectibles.
2. Once in the DAF, the assets can essentially stay put until you decide where you want the funds to be directed. It is important to keep in mind that once assets are transferred into the fund, they may not be taken back out for personal use. All gifts act as irrevocable gifts at the time of transfer.
3. If your strategy is more long-term in nature, you can invest the charitable dollars in your DAF to take advantage of interest and capital appreciation that will seek to increase the balance of your giving account.
4. Once you decide to make a gift to the organization of your choosing, simply direct the fund to make a gift to the organization of your choosing. You can gift money to any IRS approved 501(c)(3).

