



Cultivating gifts from Donor-advised Funds (DAF)

WHY would my church want to encourage DAF distributions?

- **Missed Opportunity:** DAFs are rapidly growing in both number and size. They are no longer a rarity. If our church is not seeing distributions, we need to broadcast that we the church are eligible.
- **Intentional Giving:** Receiving DAF distributions is likely to increase our relative portion of a members' giving (DAF donors are more likely to contribute a more generous allocation of their charitable funds than decrease their more impulsive and responsive giving to or very effective fundraising from fundraisers and friendships.)
- **Higher Likelihood:** Increased assurance the gift will be made since the funds are usually already set aside and available. This may be counterbalanced by a decreased frequency (quarterly or annual).
- **Extra Opportunities:** May improve responses to occasional capital needs or mission appeals.
- **Operational Simplicity:** May decrease staff load, as this is simpler than receiving tax-efficient gifts of securities or mutual funds. Gifts of securities and mutual funds can be complicated – and can be highly stressful at year-end.

HOW should I as a church leader cultivate distributions from giving funds (DAF).

STAFF TRAINING

- **Why staff training?** Staff members receive and process gifts - and communicate with donors.
- **Proper handling:** DAF distributions are wonderful gifts and often simpler than other comparably sized gifts. However, they deserve special staff attention to handle the few nuanced yet important differences.
- **Improve a members giving?** As the recurring touchpoint, they are the most likely individual to provide relevant feedback as to opportunities for a member to improve or simplify their giving process. If our church receives regular gifts of securities, it may be helpful for staff to know (1) that giving funds (DAF's) are a massive trend and growing, so we should expect to see more (2) they make giving easier much more tax efficient especially for donors who take advantage of giving appreciated securities (3) they alleviate the year-end pressure to donate appreciated assets with overwhelmed financial brokerages (4) the basic checklist for treatment of a DAF gift (incl. letter and cheat sheet).
- **Provide a 15 min. coffee break** for staff to discuss how to handle DAF's and helpful hints to share with members an easier way to make tax-efficient gifts.

MINI-EDUCATION SEMINAR FOR INTERESTED MEMBERS

- **Stewardship Committee DAF Presentation:** If a sufficient number of members make stock/mutual fund gifts, offer to provide a 30 minute event (like a pre-worship coffee time) to outline some of the benefits of a DAF – and a thumbnail sketch of how they work. The invitation might be an open invitation to a brief conversation with those who make gifts of securities – or those who would like to.

REGULAR CONGREGATIONAL COMMUNICATIONS:

Consider occasional communications outlining how the church is ready to work with increasingly popular new methods of giving.

- **We are prepared for new ways of giving:** Our church understands that cash and checks are less and less common and that new forms of giving are in, and we *are prepared*. We certainly welcome you to give in whatever way you are comfortable, but we want you to know that we are entirely prepared for those of you using the new ways to do your charitable giving – in particular, we are entirely prepared (1) with our online giving opportunities and (2) for receiving distributions from giving funds (called DAF's) which many of you are taking advantage of to make more tax efficient gifts with a lot less effort.

CAPITAL OPPORTUNITIES: Members frequently respond to specific and current needs. Since their tax-efficient giving funds are already standing-by awaiting their moment, those members with DAF's might respond more quickly and in a bigger way.

- **Publicize wish list** (unfunded vestry priorities) **online** with a side column explaining how to make a gift with cards or through DAF's or even gifts of securities.
 - **Request occasional capital or mission funds:** You may have noticed our church's wish list. In recent weeks the (specific need) has become important for us to address in the near term. As such, we are appealing to members of our church family to consider contributing toward this need. (Explain impact of the capital/mission needed). *For those with DAF's, please note the purpose of the gift on your distribution instructions. If this purpose has been satisfied or over-subscribed, any surplus gifts will be applied to*
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BLURBS:

- **Year-End:** Gifts of Securities and distributions from Giving Funds may take time to process. If you are hoping to contribute before year end, please submit your request by December 31.

