

## DONOR ADVISED FUNDS

How it works:

- ❖ You begin by making a gift to the Kenosha Community Foundation. You can give cash, appreciated stocks, real estate, or other assets.
- ❖ A fund agreement is signed by you and the foundation president establishing the fund in the name you choose
- ❖ Additional gifts can be made to the fund at any time. You receive the tax benefits in the year your donation is made.
- ❖ You recommend uses for the fund supporting the causes and organizations that are important to you, which are presented to the Donor Advised Committee of the foundation for approval
- ❖ The foundation handles all the administrative details and issues grants to the charities in the name of the fund you establish. Or, if you prefer grants can be made anonymously
- ❖ You can monitor the activity of you fund with periodic reports sent to you by the foundation.
- ❖ The Fund remains active as long as you keep a balance in it. The right to make recommendations from the fund can be passed down to thenext generation.

Who is likely to use it?

- ❖ Donor Advised Funds are used by individuals or businesses that are charitably minded but would like to delay the decision as to which charities to benefit.
- ❖ They can control the level of their charitable giving, increasing donations in years when the tax benefits are greatest, and continuing to benefit charities in years when a tax deduction is not needed.
- ❖ For example a family can use Donor Advised Funds to create a tax deduction in the tax year a family business is sold. The fund continues into the future so that second generations can be included in deciding who benefits and to learn about charitable giving.