



National  
Philanthropic  
Trust

*Your partner in giving*

# A Guide to Your Donor-Advised Fund

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# Welcome

## YOUR VISION IS OUR MISSION

Welcome to your National Philanthropic Trust (NPT) donor-advised fund. You are joining a generous community of donors with unique and inspiring goals for their giving.

For more than 25 years, NPT has worked with individuals, families and financial institutions to increase philanthropy in society. Together, we've made hundreds of thousands of grants in more than 75 countries on six continents.

Our flexible, collaborative approach to donor-advised funds (DAFs) helps you make tax-efficient gifts that have a deep impact on the causes most important to you.

In this guide, you will find details about creating and maintaining your donor-advised fund. You will learn about the different types of assets you can contribute to your DAF and how to recommend grants to charitable organizations close to home and around the world. Look to the frequently asked questions section for additional information and support. Please note that this guide may be amended by NPT from time to time.

NPT's professional staff of philanthropic experts are available to help you remove administrative burdens and maximize the effectiveness of your giving.

To connect with us, call (888) 878-7900 any business day between 8:30 a.m. and 7 p.m. ET. and until 8 p.m. ET during the month of December. You may email us any time at [npt@npitrust.org](mailto:npt@npitrust.org). Additional information, including the current version of this guide, may be found on our online donor portal.

We congratulate you on establishing an NPT donor-advised fund and look forward to supporting your philanthropy. Thank you for making NPT your partner in giving.

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*This icon indicates information that a financial advisor may find useful in supporting their clients' donor-advised funds.*



# About National Philanthropic Trust

**NATIONAL PHILANTHROPIC TRUST** is a tax-exempt public charity under sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code. NPT provides donor-advised funds and other giving vehicles for individual donors, families and organizations.

Since 1996, NPT has been dedicated to providing philanthropic expertise to donors, foundations and financial institutions, enabling them to realize their philanthropic aspirations. We rank among the largest grantmaking institutions in the United States.

Our Board of Trustees, composed of nationally known experts in philanthropy and business, governs NPT.

Our staff can share their vast knowledge of the nonprofit sector and offer you technical grantmaking assistance. NPT also provides philanthropic service support for charitable giving and grantmaking. This support includes:

- Online access to manage your donor-advised fund (DAF): make investment allocations, research charities, recommend grants and contribute to your DAF using a credit card.
- Assistance with charitable research and help to manage complex, contractual grantee relationships.
- An information-rich website ([nptrust.org](http://nptrust.org)) with resources on philanthropy.

## ABOUT THE NPT DONOR-ADVISED FUND

The NPT DAF is a charitable giving vehicle administered by NPT, the sponsor organization.

You establish your DAF account with an irrevocable contribution to NPT. You advise the DAF account by recommending investments and grants, and NPT manages administrative functions such as legal oversight and recordkeeping.

Your DAF requires no start-up costs and is charged a charitable administrative fee and investment fee based on the account balance.

Versatile, cost-effective and time-efficient, DAFs are the nation's fastest-growing charitable vehicle.



# A Guide to Your NPT Donor-Advised Fund

**THE FOLLOWING GUIDE** provides an overview of NPT's donor-advised fund program and policies. All DAF activities are subject to the terms and conditions outlined in this donor guide, as well as NPT's articles of incorporation and bylaws. NPT reserves the right to modify the DAF program and this donor guide at any time. The most current version of the donor guide will be posted to GivingPoint.

## NPT BENEFITS

With NPT, you have the opportunity to:

- Contribute a variety of assets
- Recommend grants to qualified charities in the U.S. and around the world
- Choose from a wide range of investment options
- Establish a legacy in perpetuity by naming successors to your fund

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## Establishing your DAF

Individuals, families, companies, trusts, estates, private foundations and other nonprofits are all eligible to open an NPT DAF. You can establish an NPT DAF online at [nptgivingpoint.org](http://nptgivingpoint.org) simply by completing an application and making a contribution. You may select a name for your DAF that honors an individual or family (The Smith Family Charitable Fund), identifies your charitable focus (The Clean Water Fund) or that holds some other significance for you.

The individual or entity that opens a DAF is referred to as the **primary advisor**. A DAF may have a **joint advisor** who has shared access to the DAF account. The primary advisor and joint advisor may each recommend grants and investment strategies, view fund information and name successor advisors.

You can establish a DAF account with joint access by adding a joint advisor on the Donor Application. The joint advisor remains an advisor to the fund in the event of the primary advisor's death. The primary advisor may remove and/or replace the joint advisor at any time, with the written consent of the joint advisor by completing a Donor-Advised Fund Update form.

Primary and joint advisors to the DAF must be at least 18 years old.

*Note: In this guide, the term "donor" may also be used to refer to the primary and joint advisors, particularly when addressing contribution and grantmaking activity.*

## ONLINE ACCOUNT FEATURES

NPT GivingPoint, our donor portal at [nptgivingpoint.org](http://nptgivingpoint.org), makes the process of opening a DAF account simple and fast. Instructions, tutorials and FAQs are available to assist with the online processes.



After opening your DAF, you may:

- Initiate a contribution
- Make grant and investment strategy recommendations
- View gift receipts
- Update your account name, advisors, Legacy Plan and other features.



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## Naming Additional Advisors

You may name additional advisors to your DAF beyond the primary and joint advisors.

- **Secondary advisors** serve concurrently with the primary and joint advisors. These individuals may be given authority to recommend both grants and investment allocations. Also note:
  - Your DAF may have multiple secondary advisors
  - Donors can name a child, relative or friend as a secondary advisor
  - A secondary advisor must be at least 18 years old

The primary advisor and joint advisor each may add and/or remove secondary advisors at any time online or by completing a donor-advised fund update form.

(See the Legacy Options on page 7 for secondary advisor succession information.)

- You may also assign a **financial advisor** or other **investment professional** to have authority to submit grant recommendations and investment allocations on your behalf. Note: Financial advisors do not have independent advisory privileges to recommend grants or investments. They may only submit recommendations on behalf of the primary and/or joint advisors.
- Individuals or corporate officers, referred to as **authorized advisors**, may be designated to recommend grants and investment allocations when:
  - Several individuals are contributing collaboratively to a DAF
  - A corporation has established a DAF

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## Contributing to Your DAF

You may contribute both liquid and illiquid assets to your DAF. NPT reviews each proposed contribution. The initial contribution to your DAF must be a minimum of \$10,000; there is no minimum for subsequent contributions. Credit card contributions may also be made online through GivingPoint at any time. All contributions, both initial and subsequent, are irrevocable under rules established in the Internal Revenue Code. Commonly contributed assets and their respective delivery instructions include:

### CASH

Gifts of cash in U.S. dollars may be made via check, wire transfer, transfer from a brokerage account or via a credit card.

- Checks should be made payable to “National Philanthropic Trust” and mailed to:

**National Philanthropic Trust**  
**165 Township Line Road, Suite 1200**  
**Jenkintown, PA 19046**

- Current wire transfer instructions can be found on GivingPoint.
- Credit card gifts can be made through GivingPoint by logging in to [nptgivingpoint.org](http://nptgivingpoint.org).

### PUBLICLY TRADED SECURITIES

You can contribute securities, such as publicly traded stocks, mutual funds, exchange traded funds (ETFs) or bonds in kind via Depository Trust Company (DTC) or other transfer methods into NPT’s brokerage account. You can obtain Contribution Agreement forms through GivingPoint or by calling NPT at (888) 878-7900.

- Mutual fund shares may require additional documentation. Allow three to five weeks for these transfers to be complete.

- NPT seeks to liquidate contributed securities promptly, usually on the next trading day. NPT must approve all recommendations for alternative liquidation schedules.
- Pre-approval is required for the contribution of securities representing greater than 2 percent ownership of any operating business.
- If the securities are subject to a pending transaction, please contact NPT prior to transfer.\*

### RESTRICTED AND CONTROL SECURITIES

NPT can accept restricted and control securities. Additional due diligence is required if (1) you are, or within the last 90 days, have been a corporate officer, director or other executive of the stock issuer, or a member of the controlling group or otherwise an affiliate of the stock issuer, or (2) if any securities that you wish to donate to your donor-advised fund are restricted or control securities subject to Rule 144, 145, 701 or Regulation S of the U.S. Securities Act of 1933, as amended, an effective registration statement, and/or any contractual limitations. **NPT must pre-approve all gifts of restricted and/or control stock.** Please contact NPT at (888) 878-7900 or at [npt@nptrust.org](mailto:npt@nptrust.org) for further guidance prior to initiating a transfer of such securities. If you are unsure about whether the securities you wish to contribute require additional due diligence, contact NPT.

\* NPT may decline a gift of publicly traded securities where the securities are subject to a pending liquidity event if NPT, in its discretion, determines that the transfer may be considered an assignment of income.

## OTHER ASSETS/ILLIQUID ASSET CONTRIBUTION GUIDELINES

NPT accepts many unique and complex assets as contributions. NPT's review and acceptance procedures vary depending on the type of asset. Please refer to NPT's Illiquid Asset Contribution Guidelines available online or contact us at (888) 878-7900 or at [npt@nptrust.org](mailto:npt@nptrust.org) for further guidance.

TYPE OF ASSET	CONTRIBUTION MINIMUM
Real estate (residential and commercial)	\$2,000,000
Alternative investments (hedge fund and private equity)	\$1,000,000*
Privately-held business interests (S-corporations, C-corporations, LLCs and partnerships)	\$500,000*
Tangible personal property (artwork and collectibles)	\$250,000
Structured notes	\$250,000**
Restricted stock (including Rule 144/145)	\$25,000*
Cryptocurrency/Foreign currency	\$25,000

\*These also represent investment minimums for Segregated Accounts.

\*\* **Please Note:** For Structured Notes that NPT will sell upon receipt, NPT may waive the \$250,000 contribution minimum.

If NPT cannot accept a contribution for any reason, you will be notified as soon as possible. Any costs NPT incurs in connection with the acceptance or liquidation of contributed assets (e.g., commissions, legal or appraisal fees) will reduce the balance in your DAF. NPT may require a contribution prior to the acceptance of contributed assets to cover the costs of due diligence or other acceptance costs. This contribution will be the greater of estimated due diligence costs or \$10,000, the minimum required to open a donor-advised fund. Donors will also be required to maintain liquidity in the account for fees and granting purposes.

When making any gift, donors must complete and sign a Contribution Agreement. The Contribution Agreement must be matched to your gift before it can be fully processed. Once a contribution is accepted, NPT will seek to liquidate contributed assets promptly. The net proceeds of the liquidation of contributed assets are reflected in the account balance of your DAF.<sup>1</sup>

### NPT CHARITABLE ASSET TRUST

For donors who wish to contribute shares of S-corporations, limited liability companies or other entities that generate unrelated business taxable income (UBTI), NPT offers an affiliate: NPT Charitable Asset Trust (NPT CAT). As a public charity in the trust form, NPT CAT is generally taxed at a lower effective rate on UBTI than NPT, which is a nonprofit corporation. Before accepting a contribution, NPT evaluates which entity would be most tax-efficient for the gift. Once an asset is liquidated by NPT CAT, the donor may recommend a grant of the proceeds to an NPT donor-advised fund, which allows

the donors to recommend investments and grants to their favorite charities over time. Assets donated to NPT CAT are governed by this guide, except for the available investment options, which are limited to money market funds as NPT shall select from time to time.

### TESTAMENTARY GIFTS AND TRUST DISTRIBUTIONS

Contributions to a DAF can be a part of your estate plan. An NPT DAF can be the beneficiary of a bequest under your will or other testamentary vehicle. It can also be the beneficiary of a:

- Retirement plan such as an individual retirement account (IRA) or 401(k) plan
- Charitable remainder trust or charitable lead trust
- Life insurance policy
- Brokerage account or other accounts that allow you to designate transfer on death (TOD) beneficiaries

Please see the Legacy Option section in this guide for more information about giving from your DAF beyond your lifetime. You should always consult a tax or legal advisor when setting up any testamentary gift, trust or other deferred gift.

### CONTRIBUTIONS ARE IRREVOCABLE

Once NPT approves and accepts your contribution, it is irrevocable. NPT retains exclusive legal control over the contributed assets, and you may not impose any material restriction or condition on the gift. DAF assets may be used for charitable purposes only.

<sup>1</sup> NPT may request an updated Contribution Agreement if we do not receive your asset contribution within 90 days of receiving of the original form.

### THIRD-PARTY CONTRIBUTIONS

Third parties may make charitable contributions to your DAF and may be eligible to claim a tax deduction for their contributions. All contributions must meet the criteria outlined in this Donor Guide. The third-party donor must complete and sign a Contribution Agreement.

Please note that third-party contributors:

- Have no advisory privileges in the DAF with respect to their contributions and may not recommend investment allocations or grants
- May not receive goods or services in exchange for or in consideration of their contribution

### KNOW YOUR CLIENT PROCEDURES

In accordance with NPT's Know Your Client/Anti-Money Laundering Procedures, we may obtain, record and verify information that identifies each person who makes a contribution to a donor-advised fund at NPT. NPT may ask for the name, address, Social Security number, date of birth or other information that will allow us to identify individuals connected to entity donors (e.g., trustees or corporate officers) and conduct due diligence. We may also ask for a copy of a passport, driver's license or other identifying documents, and we may verify the information we obtain.

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## Tax Considerations

A gift to your NPT DAF is considered a gift to a public charity.

### TAX ELIGIBILITY AND GIFT RECEIPTS

When you make a gift to NPT, you may be able to claim a charitable contribution deduction on your U.S. federal and state income tax returns for the value of the gift. The amount of the deduction will depend on many factors, including the type of asset you contribute and your personal financial circumstances. You should consult your tax advisor to determine your specific tax consequences.

NPT will post a gift receipt acknowledging your contribution through GivingPoint. This gift receipt serves as an official receipt for your gift as required by the IRS. If your contribution was made with a credit card, NPT will send an email confirmation of your transaction,

which serves as your gift receipt. This guide addresses only federal taxes. State tax rules and regulations regarding deductions for charitable giving vary by state. You should always consult with a tax or legal advisor before making a charitable contribution to your DAF.

### GIFT VALUATION

**Cash/Check:** The value of your gift is the amount of the cash contribution.

**Publicly Traded Securities:** For securities held longer than one year, the value of your gift is the fair market value of the securities on the date of the gift. NPT calculates the fair market value of publicly traded securities as the mean of the high and low trading prices



You should always consult with a tax or legal advisor when setting up any testamentary gift, trust or other deferred gift.

on the date of contribution, if available. Alternative valuation methods are used for securities with no trading activity on the contribution date.

**Mutual Fund Shares:** For mutual funds held longer than one year, the value of your gift is the fair market value of the contributed mutual fund shares. NPT calculates the fair market value of mutual fund shares as the closing price on the date of contribution.

**Securities That Are Not Publicly Traded:** The value of your gift is typically the fair market value of securities that have been held for longer than one year, and that are not publicly traded (such as closely held or some restricted securities). In most circumstances, the IRS requires a qualified independent appraisal to determine the fair market value of securities that are not publicly traded. The donor is responsible for obtaining the appraisal. NPT cannot pay for the cost of the appraisal.

**Short-Term Securities:** For securities (both publicly traded and other) or mutual fund shares that have been held one year or less, the value of your gift for tax purposes is the lesser of your cost basis or the current market value.

*NOTE: Any value that NPT provides in a gift receipt letter is for convenience only and should not be relied upon as legal or tax advice. The amount that you may claim as a charitable contribution deduction for tax purposes may differ from the value that NPT provides on the gift receipt.*

### TAX DEDUCTIBILITY LIMITATIONS

The Internal Revenue Code rules for charitable contributions impose percentage limitations against adjusted gross income (AGI) in the year you make the gift. The following percentage limitations apply to gifts to public charities, including donor-advised funds:

**Cash:** You may be entitled to a deduction for your charitable gift up to 60% of your AGI in the tax year in which the contribution is made.

**Appreciated Securities:** For securities held longer than one year, you may claim charitable contribution deductions up to 30% of your AGI in the tax year in which the contribution is made.

**Carry Forward Deductions:** If you cannot use the full deduction in the year you make a contribution, you may be able to “carry forward” any excess tax deduction for up to five years.

### QUALIFIED APPRAISAL AND TAX FORMS

The IRS requires that you file Form 8283 with your federal income tax return for non-cash gifts of \$500 or more—including publicly-traded and other securities. If required, NPT will sign an IRS Form 8283 to acknowledge receipt of your contribution. If the value of your gift exceeds \$5,000 and the property is not publicly traded securities or other specifically excluded assets, an independent qualified appraisal is required. The Form 8283 also contains a summary of your qualified appraisal of the fair market value of contributed assets. NPT will provide any other financial reports or information required by law.

### ESTATE PLANNING

Contributions made to a DAF account during your lifetime are irrevocable and are therefore not part of your personal assets. As such, they are not subject to either estate tax or probate. However, there are many succession planning options available within the program. (See the Legacy Option section on page 7.) Please consult a legal or tax advisor on how your DAF can maximize your estate plan.

### TAX TREATMENT OF INCOME ON DONOR-ADVISED FUNDS

The assets in an NPT DAF may accrue income from investment growth, dividends or interest. The income that accrues within the DAF is part of the DAF and therefore generally cannot be taxed. Further, any income earned in a DAF cannot be claimed as an additional charitable tax deduction by the donor. Income or loss in your DAF will be reflected in the account balance.

### UNRELATED BUSINESS INCOME TAX AND OTHER TAXES/EXPENSES

As a tax-exempt, charitable organization, NPT’s income is generally exempt from federal income taxes. However, NPT may still be liable for tax on income derived from any activities, including certain investments, that are not substantially related to furthering NPT’s charitable mission.

Any unrelated business income tax (UBIT) liability attributable to an NPT DAF’s assets or investment activities will be charged to and deducted from the DAF account. If applicable, NPT will make a good faith estimate of the expected tax liability and reserve a portion of the assets in the account sufficient to pay the tax. NPT strongly recommends that donors consult with their tax advisors to review the specific tax implications of donating assets that may generate unrelated business income.

In addition, any other excise taxes or expenses attributable to an NPT DAF’s assets, investment activities or grantmaking will be charged to and deducted from the DAF account.

## Legacy Options

You may select a Legacy Plan to guide NPT on how to administer your DAF after your lifetime. You may choose one or more of the following Legacy Plan options at the time you establish your DAF or anytime thereafter. If you do not specify your selection, NPT will consider your account abandoned following a period of inactivity (see Abandoned Accounts). You may update your Legacy Plan at any time on the Manage Account page through GivingPoint or by completing the Donor-Advised Fund Update form.

NPT activates your Legacy Plan upon receipt of the death certificate or other notification of the death of the last primary or joint advisor. Successor advisors must notify NPT in writing and provide evidence of the deaths of the primary and joint advisors for a Legacy Plan to take effect.

The process of assigning successor advisors can continue in perpetuity.

	SUCCESSOR ADVISORS	CHARITABLE BENEFICIARIES	ENDOWMENT PROGRAM (\$100,000 minimum required)
<b>Identify Successor/Beneficiary</b>	Name up to four successor advisors. Each will be designated as a primary advisor on a new DAF account.	Designate one or more charities to receive a grant at the time of activation. The minimum grant amount is \$250.	Designate one or more charities to receive grants over time.
<b>Select Percentage</b>	Select the percentage of the DAF assets to be designated to each individual successor advisor.	Select the percentage of DAF assets to be designated to each named charitable beneficiary.	Select the percentage of endowment account assets to be distributed annually and to which charities (the "Annual Payout").
<b>Review Contingencies</b>	If the division of assets creates one or more DAF accounts with balances below \$10,000, the account will be subject to NPT's charitable administrative fee minimums.	If a designated charity is not eligible to receive a grant at the time of activation, designated assets will be reallocated among the remaining charities. Total allocation must equal 100%. The minimum grant amount is \$250. <b>Example:</b> Charity #1 (40%), Charity #2 (60%).	If a designated charity is not eligible to receive a grant at the time of activation, designated assets will be reallocated among the remaining charities. Total allocation must equal 100%. The minimum grant amount is \$250. <b>Example:</b> Charity #1 (40%), Charity #2 (60%).

### ADDITIONAL NOTES

**Successor Advisors:** If a named successor advisor is not able or willing to serve, his or her portion will be allocated proportionally among the other named successor advisors' DAF accounts. Please note that secondary advisors to the DAF account are not automatically successors to the account.

**Eligible Charities:** If no designated charity is eligible to receive grants at the time of Legacy Plan activation, NPT's abandoned accounts protocol will apply.

**Endowment Program:** \$100,000 minimum required at the time of Legacy Plan activation for Endowment Program eligibility. If available DAF assets are less than \$100,000, this Legacy Plan selection will revert to the Charitable Beneficiaries option.

Assets allocated to the endowment account will be invested in the Conservative investment pool option available at the time of activation; trading will occur within 90 days of the receipt of written notice of the Legacy Plan activation. Endowment Account assets may not be held in Select Accounts.

When an endowment account balance reaches \$25,000, final lump-sum grant(s) will be made to designated charities.

### CUSTOM LEGACY PLAN

If you wish to establish a custom Legacy Plan that differs from NPT's standard Legacy Plan options (noted above), please contact NPT at (888) 878-7900 or [npt@nptrust.org](mailto:npt@nptrust.org). Additional fees may apply. NPT reviews and approves requests for custom Legacy Plans on a case-by-case basis.

Helping clients with their Legacy Plan is a good way to begin working with the next generation.



# Investment Options

When you open your DAF, you will recommend an investment strategy for your DAF's assets by selecting either an allocation among a series of pre-approved investment options or a segregated account for DAFs over \$500,000. Several investment strategies are available, each with different objectives and risk/reward profiles. Allocations must be made by percentage (not dollar amount), and all recommendations are subject to NPT's final approval.

NPT has sole fiduciary responsibility for investing the DAF assets and may adjust the composition of the investment pools at any time.

Please review the different investment options before making your recommendation. Details of the investment selections and their performance information are described in the Investment Descriptions and Performance document, which is available online.

If you do not specify an investment allocation, your contributions will be allocated to the Select Government Preferred Fund (SGPXX).

## INVESTMENTS

Investment options include model portfolios, money market funds and segregated accounts. You may select from the following investment strategies.

## MODEL PORTFOLIOS

### Impact Portfolios

These portfolios use mutual funds, exchange-traded funds (ETFs) and separately managed accounts (SMAs) to generate positive social or environmental impact alongside financial return:



- **Equity and Inclusion** – Seeks to narrow inequalities in society by creating economic opportunity that advances equity and inclusion.



- **Environmental Stewardship** – Manages climate change risks and protects and conserves natural resources; moderate risk with moderate growth potential



- **Gender Lens** – Supports the advancement of women in the workplace and beyond; moderate risk with moderate growth potential



- **Broad Social Impact** – Advances solutions to global challenges, including conservation, financial inclusion and access to healthcare; higher risk with higher growth potential

### Actively Managed Portfolios

This option offers a multi-asset class approach, using actively managed mutual funds. You can select the portfolio that best matches your giving goals:

- **Conservative Portfolio** – Lower risk with lower asset growth potential
- **Moderate Portfolio** – Moderate risk with moderate asset growth potential
- **Growth Portfolio** – Higher risk with higher asset growth potential

### Index Fund Portfolios

This option offers a more economical multi-asset class approach, which uses low-cost exchange-traded funds (ETFs). You can select the portfolio that best matches your giving goals:

- **Conservative Portfolio** – Lower risk with lower asset growth potential
- **Moderate Portfolio** – Moderate risk with moderate asset growth potential
- **Growth Portfolio** – Higher risk with higher asset growth potential

### Money Market Funds

- Select Government Preferred Fund (SGPXX)
- Select Treasury Preferred Fund (STPXX)

## SEGREGATED ACCOUNT

### Assets Managed by Your Financial Advisor or other Investment Professional

DAF accounts over \$500,000 may recommend a financial advisor to propose investments other than those NPT offers. A different fee schedule may apply.

The account minimum for segregated accounts is \$500,000 for discretionary account types. For non-discretionary accounts, the minimum is \$2 million. Please contact NPT with any questions.

To establish an NPT segregated account, please complete the Donor Application and select Segregated Account – Financial Advisor Managed in the Investment Allocation section. Your financial advisor should also submit NPT's Segregated Account Investment Information form to initiate the approval process and request the applicable fee schedule. Financial advisors can obtain this form by contacting NPT at (888) 878-7900 or [npt@nptrust.org](mailto:npt@nptrust.org). Note: financial advisors must be approved by NPT.

NPT's Investment Policy Guidelines, which are summarized in the Segregated Account Investment Information form, apply to all segregated DAF accounts. Investments in non-traditional assets such as alternative or private investment funds are subject to the same minimum amounts as contributions. Segregated DAF accounts with a balance below the stated minimum will be deemed to have a balance equal to the stated minimum for purposes of calculating the charitable administrative fee. In addition,

NPT reserves the right to move segregated accounts with a balance below the stated minimum into one or more of NPT's pooled investment options.

*NPT offers access to certain private impact investment opportunities for Segregated Accounts. If you are interested in learning more about our Customized Impact Investment offering, please visit [nptrust.org/customized-impact-investing](https://nptrust.org/customized-impact-investing).*

## Investment Allocation

### MODEL PORTFOLIO UNITS

Model portfolio investments are reflected in units, which are issued and valued each day based on net asset value (NAV) of the portfolio investments.

### CASH CONTRIBUTIONS

Once your contribution is received and has been attributed to your DAF account, it will be allocated to your selected investment option. If a model portfolio was selected, your DAF will be credited with the number of model portfolio units equivalent in value to your contribution, based on the then current NAV for the portfolio.

### CONTRIBUTION OF SECURITIES

Your DAF will be credited with the number of model portfolio units equal in value to the net proceeds from the sale of the securities that you contributed. Units will be credited to your DAF after the sale of those securities has settled.

### OTHER PROPERTY

For contributions of assets that are not publicly traded—such as closely-held stock or alternative investments—NPT will exercise its full discretion over all conditions of the sale. This includes, but is not limited to, the timing and price of sale. Model portfolio units will be credited to your DAF after the proceeds of the sale have been received.

### ALLOCATION OF INCOME AND VALUE OF YOUR DONOR-ADVISED FUND


The value of your DAF account will fluctuate with market performance. Income your DAF earns may include interest, dividends and other investment income, including capital gains distributions.

Each portfolio unit will be allocated its pro rata share of daily income and/or expenses. The allocated income or expenses will be reflected in the per unit NAV of the portfolio. The NAV of a unit for each pool will also include realized and unrealized capital gains or losses on the portfolios' investments, as well as undistributed income attributable to that portfolio.

The value of your DAF will be the number of units of each portfolio attributable to your DAF, multiplied by the unit's current NAV.

### REALLOCATING INVESTMENTS

After establishing your DAF, you may recommend that its investments be moved from one investment strategy to another. Investment reallocation recommendations may be submitted online through NPT GivingPoint or by completing an Investment Reallocation form. Investment reallocations are processed on a weekly basis.



After establishing your DAF, you may recommend that its assets be moved from one investment to another.

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## Grantmaking

In partnership with our donors, NPT has delivered billions of dollars to charitable organizations around the world. The following section provides you with information about NPT's grant recommendation process.

### GRANT RECOMMENDATION PROCESS AND TIMELINE

You may recommend grants to qualified charitable organizations at any time, provided your DAF has available liquidity.

You can submit a grant recommendation online or by completing a Grant Recommendation form, available on GivingPoint. NPT carefully reviews all grant recommendations to verify that the charitable organization is eligible to receive grants.

NPT processes grant recommendations throughout the week. We usually review and process grant recommendations within 2-5 days. International grants, grants that require additional due diligence, grants submitted immediately before a holiday and/or grants that close a DAF account may require additional time.

Approved grants will be funded by redeeming the DAF's investments. Investments will be redeemed on a pro rata basis based on the DAF's target investment allocation.

Once a grant is approved, NPT will disburse the funds to the recipient charitable organization. We provide a grant letter that indicates the purpose of the grant and the DAF account from which the grant was funded, unless anonymity is requested.

If NPT denies your grant recommendation, we will explain why we cannot approve it. NPT will make every effort to suggest alternatives that fulfill your philanthropic intent.

You may log in to GivingPoint to view the progress of your grant request—from the submission of the grant recommendation until the recipient charity receives the grant proceeds. We provide an online quarterly statement that includes grants made from your DAF during the preceding quarter.

### GRANTMAKING REMINDERS

- Grants can only be made to qualified charities.
- Each grant must be at least \$250.
- You may receive recognition for your grant or remain anonymous.
- You may recommend that your grant be made on a recurring basis.
- You may not receive any benefit that is "more than incidental" in connection with your grant.



### ELIGIBLE GRANT RECIPIENTS

NPT can make grants to charitable organizations that are tax-exempt under Internal Revenue Code (“Code”) Section 501(c)(3) and classified as public charities under Code Sections 509(a)(1) or (2). NPT can also make grants to certain private operating foundations described in Section 4942(j)(3) of the Code and certain supporting organizations described in section 509(a)(3) of the Code.

Eligible recipient charities include but are not limited to:

- Museums and arts organizations
- Schools and educational institutions
- Environmental organizations
- Hospitals and health care organizations
- Scientific and medical research institutes
- Religious organizations and places of worship
- Other organizations or institutions established for charitable purposes

### INELIGIBLE GRANT RECIPIENTS

Grants cannot be used to provide any private benefit to donors, advisors or their family members that is more than incidental.

NPT will not approve grants to:

- Individuals
- Private non-operating foundations
- Non-functionally integrated Type III supporting organizations
- Political campaigns, candidates or organizations supporting lobbying activity
- Pay for services provided by the donor to the charity
- Pay for dues, membership fees, tuition, goods from charitable auctions or other goods or services
- Pay any portion of the cost of a table or tickets to a gala or event, or other admission to a charity event, in which the full ticket price is not tax deductible (i.e., split gifts)

Additional information about grantmaking from NPT donor-advised funds may be found online in NPT’s Tips for Managing Your Charitable Giving document.

### INTERNATIONAL GRANTS

You may recommend direct grants to international charities. Grants to non-U.S. charities require additional due diligence to determine the charities’ eligibility to receive grants. These grants require additional monitoring and reporting. As a result, NPT charges additional fees, assessed from your DAF account, for these grants.

NPT can use Expenditure Responsibility (ER) or Equivalency Determination (ED) to process international grants. ER and ED are due diligence procedures to ensure and verify that the grant funds are utilized for charitable purposes. ER works well for specific projects with trackable budgets, and ED works well for general operating grants. Based on numerous factors, including location of the recipient organization and grant purpose, NPT determines which method to use in its sole discretion.

Please contact NPT for an international grant fee schedule and requirements for recommending a grant to non-U.S. charities.

### DONOR RECOGNITION OR ANONYMITY

When you recommend a grant from your DAF, you can choose to be recognized by the Fund Name, the Donor Name(s) or both.

You may also request that the grant be sent anonymously.

You may select additional recognition for the grant by indicating that the grant is recommended in honor, in memory or in recognition of an individual. In addition, you may choose to indicate the source of solicitation for the grant.

NPT will not release your name or contact information to any recipient charity without your consent. All grants must be issued by NPT directly to the recipient charity; NPT does not permit donors or advisors to deliver grant checks to the recipient charitable organization.

### GRANT PAYMENTS

Grant Payments, a collaborative solution developed with PayPal, enables us to conveniently deliver grants to participating nonprofits from DAFs using electronic transfers via PayPal. This streamlined process eliminates the need for producing and mailing physical checks, saving valuable time and ensuring that charities receive funding promptly.

If a nonprofit organization has registered with PayPal, you will find the designation “EFT Enrolled” on the charity card displayed on GivingPoint. Once a grant is approved and processed, the recipient organization will receive a notification containing all relevant donor and grant details through a dedicated PayPal dashboard. Upon accepting the grant, the funds are automatically transferred to their account. For charities that have not yet registered for Grant Payments, NPT will process and mail a grant check.



With sufficient liquidity, you can recommend an unlimited number of grants from your NPT DAF.

### GRANT LETTER

Once a grant is approved, NPT will disburse the grant to the recipient charitable organization. We provide a grant letter that indicates the purpose of the grant and the DAF account from which the grant was funded, unless anonymity is requested.

NPT's grant letter informs the recipient charity that it should not provide you with a tax receipt for the grant, and that it may not provide a private benefit to any donor.

### NUMBER OF GRANTS

You can recommend an unlimited number of grants provided there are sufficient liquid funds in the DAF account. You may opt to recommend a grant as a single distribution or establish a recurring grant schedule.

### GRANT MINIMUM

The minimum grant amount is \$250. If you recommend a grant amount that exceeds your DAF balance, NPT will ask you to suggest a different amount or make an additional contribution. If you recommend a grant that exceeds your DAF balance or reduces your balance to less than \$1,000, NPT will ask you to suggest a different amount, make an additional contribution or initiate an account closing at NPT's sole discretion.

### RECURRING GRANTS

You may recommend that a grant be distributed on a recurring basis—monthly, bi-monthly, quarterly, semiannually, yearly—to a specific charity. Please note: Recurring grants may be discontinued for insufficient funds, or if you ask NPT to suspend those grants.

### GRANT AGREEMENTS

NPT can draft custom grant agreements with the charity based on the donor's recommendation. Examples of particular terms or conditions that can be incorporated into a grant agreement include:

- Benchmarking
- Results and research findings
- Reporting requirements
- Matching or challenge grant provisions
- Restrictions on use of funds
- Recognition

NPT charges additional fees for grant agreements. Please contact NPT at (888) 878-7900 for a grant agreement fee schedule and related requirements.

### MINIMUM ACCOUNT ACTIVITY

At least one \$250 grant recommendation is required from a DAF account every three years in order to meet NPT's Minimum Account Activity Policy (MAAP).

### ABANDONED ACCOUNTS

If a DAF account remains inactive (i.e., no advisor recommended grants and no contributions) for six consecutive years or in the event of the death or resignation of the last surviving primary or joint advisor without a named successor advisor, NPT reserves the right, in its sole discretion, to grant the entire balance of the DAF account, over a maximum period of seven years, in the following order of priority:

- To successor charities designated in the DAF's Legacy Option
- In accordance with the account's grant history
- If no designated successor charities or grant history, to NPT's Giving Fund

For more details, please request a copy of NPT's Minimum Account Activity Policy.

*NPT's Philanthropic Solutions and Legal teams can assist in crafting grant agreements to establish terms, conditions and provisions for specialized grants.*



## TAX TREATMENT OF GRANTS FROM DONOR-ADVISED FUNDS

When your DAF makes grants to charities—based on your recommendation—NPT is granting its assets. Accordingly, you may not take any additional charitable tax deductions for the DAF grants.

## DAF ACCOUNT STATEMENTS

A quarterly statement of your DAF account activity will be posted to GivingPoint, where it will be stored and will be available for download.

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## Philanthropic Solutions

NPT's Philanthropic Solutions Group offers customized support to help donors maximize their charitable impact. These services include:

- Expertly guided Philanthropic Consulting to assist you at any point in your giving journey. We can help you to:
  - Define a clear and effective giving strategy
  - Learn about the issues that matter most to you
  - Work with your family on defining your giving priorities

*For your convenience, fees for Philanthropic Consulting services are payable directly from your donor-advised fund.*

- Unique-to-you concierge support for Premier Donors (donors who have DAF accounts with a balance of \$5 million or more)

- Donors can work with a dedicated relationship manager to help refine and execute their charitable giving plan
- Exploration of Customized Giving Solutions to meet your philanthropic needs. We offer:
  - Type I Supporting Organizations
  - Designated funds or field of interest funds
  - Collaborative funds for you to bring other donors together

To learn more about NPT's Philanthropic Solutions offerings, contact NPT at (888) 878-7900 or send an email to [philanthropicsolutions@nptrust.org](mailto:philanthropicsolutions@nptrust.org).



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## NPT Giving Fund

The Giving Fund is a grant making fund that NPT uses to support a variety of charitable causes as recommended by its Board of Trustees and as matching grants for its employees' gifts.

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## Fees and Expenses

The following fees are charged to NPT DAFs. For complex gifts or customized services, other charges may apply.

### CHARITABLE ADMINISTRATIVE FEE (CAF)

NPT charges each DAF an annual charitable administrative fee, which covers the DAF's operating expenses. These include grantmaking, recordkeeping, tax filing, quarterly statements and other legal and fiscal responsibilities. The following blended fee schedule will be applied to the daily closing balance in your account at the end of each month. NOTE: The minimum monthly CAF is \$17. DAFs with balances below \$1,000 may be closed at NPT's discretion.

Asset Value in DAF	Annual Fee
Up to \$250,000	0.85% (85 basis points)*
Next \$250,000	0.70% (70 basis points)
Next \$500,000	0.60% (60 basis points)
Next \$1.5 million	0.45% (45 basis points)
Next \$2.5 million	0.25% (25 basis points)
Next \$5 million	0.15% (15 basis points)
Above \$10 million	0.10% (10 basis points)

\* This tier will be assessed a CAF at 85 basis points or by the minimum monthly fee, whichever is greater.

Additional tiered pricing is available for DAFs over \$10 million.

A different schedule of fees may apply to accounts holding investments other than NPT's pooled investment options.

### Rate Examples

DAF Balance	Effective Annual Fee
\$750,000	0.72% (72 basis points)
\$1,500,000	0.61% (61 basis points)
\$3,000,000	0.50% (50 basis points)
\$5,000,000	0.40% (40 basis points)
\$10,000,000	0.27% (27 basis points)

### SHORT-TERM CAF ACCOUNT FEE

If 95% or more of all assets contributed to a DAF are distributed during the first 12 months (from the date the DAF is created), NPT reserves the right to charge the DAF a short-term fee equal to \$500 or 2 percent of the initial contribution to the DAF (up to \$10,000), whichever is greater.

### INVESTMENT MANAGEMENT FEES

Each money market fund and underlying investment in the model portfolios is subject to varying operating and management expenses/fees. In addition, each model portfolio charges an investment advisory fee and/or incurs trading costs associated with the management of the portfolio. Descriptions of these fees and performance information are available on GivingPoint, in the Investment Descriptions and Performance document.

### SEGREGATED ACCOUNT FEES

A different fee schedule may apply to segregated accounts.

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### WE CAN HELP

NPT's dedicated Donor Relations team is available to help you obtain forms and instructions, answer questions and connect you with one of the many philanthropic experts among NPT's professional staff.

To reach us, call (888) 878-7900 any business day between 8:30 a.m. and 7 p.m. ET. You may email us any time at [npt@nptrust.org](mailto:npt@nptrust.org). Additional information may be found on our website at [nptrust.org](http://nptrust.org) or through GivingPoint at [nptgivingpoint.org](http://nptgivingpoint.org).

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# Privacy Statement

National Philanthropic Trust takes privacy very seriously and is committed to maintaining the confidentiality and security of your personal information. A copy of our privacy policy is available by request or at [www.nptrust.org/privacy-policy](http://www.nptrust.org/privacy-policy).

## OTHER IMPORTANT STATEMENTS

NPT has been recognized by the Internal Revenue Service (IRS) as a tax-exempt charitable organization that is a public charity, as described in sections 501(c)(3), 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code of 1986, as amended (“the Code”).

This donor guide provides information that is general and educational in nature. It is not intended to be and should not be construed as legal or tax advice. NPT does not provide legal or tax advice. In compliance with IRS requirements, any information contained herein is not intended or written to be used, and cannot be used, for the purpose of avoiding tax penalties under the Code. Content provided herein relates to taxation at the federal level only. Availability of certain federal income tax deductions may depend on whether you itemize deductions. Rules and regulations regarding deductions for charitable giving vary at the state level, and laws of a specific state or laws relevant to a particular situation may affect the applicability, accuracy or completeness of the information provided. Consult an attorney or tax advisor regarding your specific situation.

Financial information about National Philanthropic Trust can be obtained on our website at [NPTTrust.org](http://NPTTrust.org), or as stated below. Colorado: Colorado residents may obtain copies of registration and financial documents from the office of the Secretary of State, (303) 894-2680, <http://www.sos.state.co.us/>. Florida: A COPY OF THE OFFICIAL REGISTRATION AND FINANCIAL INFORMATION MAY BE OBTAINED FROM THE DIVISION OF CONSUMER SERVICES BY CALLING TOLL-FREE, WITHIN THE STATE, 1-800-HELP-FLA. Georgia: A full and fair description of the programs and activities of NPT and its financial statement are available upon request at the address indicated above. Illinois: Contracts and reports regarding National Philanthropic Trust are on file with the Illinois Attorney General. Maryland: For the cost of postage and copying, documents and information filed under the Maryland charitable organizations laws can be obtained from the Secretary of State, Charitable Division, State House, Annapolis, MD 21401, (800) 825-4510. Michigan: Registration can be obtained through the Michigan Charitable Trust Section, P.O. Box 30214, Lansing, MI 48909, (517) 373-1152. Mississippi: The official registration and financial information of National Philanthropic Trust may be obtained from the Mississippi Secretary of State’s office by calling (888) 236-6167. New Jersey: Information filed with the Attorney General concerning this charitable solicitation and the percentage of contributions received by the charity during the last reporting period that were dedicated to the charitable purpose may be obtained from the Attorney General by calling (973) 504-6215 and is available online at [www.njconsumeraffairs.gov/ocp.htm#charity](http://www.njconsumeraffairs.gov/ocp.htm#charity). Registration with the Attorney General does not imply endorsement. New York: A copy of the latest annual report can be obtained from the organization or from the Office of the Attorney General by writing the Charities Bureau, 120 Broadway, New York, NY 10271. North Carolina: Financial information about this organization and a copy of its license are available from the State Solicitation Licensing Branch at (888) 830-4989. Pennsylvania: The official registration and financial information of National Philanthropic Trust may be obtained from the Pennsylvania Department of State by calling toll-free, within Pennsylvania, (800) 732-0999. Virginia: Financial statements are available from the State Office of Consumer Affairs, P.O. Box 1163, Richmond, VA 23218. Washington: The notice of solicitation required by the Charitable Solicitation Act is on file with the Washington Secretary of State, and information relating to financial affairs of National Philanthropic Trust is available from the Secretary of State, and the toll-free number for Washington residents: (800) 332-4483. West Virginia: West Virginia residents may obtain a summary of the registration and financial documents from the Secretary of State, State Capitol, Charleston, WV 25305. REGISTRATION IN THE ABOVE STATES DOES NOT IMPLY ENDORSEMENT, APPROVAL, OR RECOMMENDATION OF NATIONAL PHILANTHROPIC TRUST BY THE STATE.

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## Frequently Asked Questions

We have answers to many of your questions about donor-advised funds and working with NPT. A comprehensive list of Q&As may be found online at [nptrust.org/donor-advised-funds/faq/](http://nptrust.org/donor-advised-funds/faq/)

### **How much do I need to open a DAF account?**

To start an NPT donor-advised fund account, an individual, family, company, or foundation needs to make an initial contribution of at least \$10,000. Once the DAF account is established, donors can make subsequent contributions at any time.

### **How quickly can I create a donor-advised fund account?**

At NPT, it can take minutes when you use the online portal to open a DAF. Once you submit a completed donor application, your account is established and ready to receive contributions.

### **Can my DAF account be named after someone other than me?**

Yes. You can choose any name for your DAF account. You can use the term Foundation in its name. Most donors choose a name that reflects the main purpose of the account such as “The Smith Educational Fund.” Some donors select a name that helps them to remain anonymous.

### **Can my DAF account have multiple successor advisors?**

Yes. If you name more than one successor advisor, your account assets will be split into separate new accounts for each successor advisor that you have designated. Each successor will have advisory responsibilities on a new account created from your DAF account’s assets.

### **Can my DAF account exist in perpetuity?**

Your named successor advisors will have advisory privileges on accounts that are created out of your account assets. Those successor advisors can, in turn, name their own successor advisors who will succeed on accounts created out of those assets, and so on.

### **Can my children be involved with my DAF account?**

Yes. You can name them as advisors or successor advisors to your account. They can assume these roles at age 18.

### **What types of fees are charged to my DAF account?**

NPT charges charitable administrative fees. These fees cover grantmaking, recordkeeping, tax filing, quarterly statements, insurance and various other operating expenses. NPT determines the amount of these fees by applying a blended schedule against the average daily balance of your account at the end of each month. Other fees include, but are not limited to: asset management fees; fees for grant agreements or international grants recommended by the donor; illiquid gift processing fees; wire fees; fees and expenses associated with the administration of certain assets; and (for some DAF accounts) a fee to financial advisors.

### **Will I get a gift receipt for my contributions?**

Yes. NPT provides you with a written confirmation of your contribution(s) which is available on GivingPoint. This confirmation serves as a receipt for tax purposes. With a DAF account, you can claim a charitable contribution deduction for your contribution. Because you may take a tax deduction for your contribution to the DAF, grants you recommend from your DAF account cannot be used to take a tax deduction. Additionally, income accrued in your DAF account from positive investment performance is not eligible for deduction.

### **Can I recommend a grant from my DAF account to attend a charity event?**

No. The most common reason for denying a grant is a donor’s desire to use that grant for table sponsorship or event tickets. Charitable events and galas typically provide their attendees with benefits that aren’t tax-deductible, such as food, drinks and/or door prizes. DAF grants cannot be used to pay any portion of the ticket to attend an event if the full cost is not tax deductible.

**Does my tax deduction depend on the type of asset I contribute?**

There are several factors that determine your tax deduction including the value of the gift and percentage limitations against adjusted gross income in the year you make the gift. Please consult a legal or tax advisor.

Here are some general guidelines on gift valuation:

- Check/wire: Your charitable contribution is the amount of your cash contribution.
- Publicly-traded securities: If you have owned your securities for more than one year, your gift value is the fair market value of those securities donated, determined by an average of high and low on the date you contribute them.
- Securities that are not publicly traded: If you have owned your securities for more than one year, your gift value is the fair market value of those securities donated, determined by you in a reasonable manner on the date you contribute them. The IRS may require you to obtain a qualified independent appraisal.
- Real Estate: For contributions of real estate held longer than one year, your gift value is the fair market value of that real estate, determined by you in a reasonable manner on the date you contribute it. The IRS may require you to obtain a qualified independent appraisal.

**Do I file my contribution receipt with my taxes at the end of the year?**

No. The IRS requires that you have in your possession, a copy of the contribution receipt at the time you file your taxes, but you do not need to send it to the IRS.

**Can I make an anonymous grant from my DAF account?**

Yes. Any individual grant can be given out anonymously, or with a reference to the DAF, or to you as the donor. You may also recommend a grant in someone's honor or memory.

**Can I recommend a grant from my DAF account to any charity or nonprofit organization?**

NPT can make grants to charitable organizations that are tax-exempt under Internal Revenue Code (IRC) Section 501(c)(3) and public charities under IRC Section 509(a). NPT can also make grants to certain private operating foundations and supporting organizations. NPT cannot make grants to private non-operating foundations. If you have a special grant request, please contact a member of NPT's staff at (888) 878-7900.

**What is the minimum amount for an NPT grant?**

NPT's minimum grant is \$250.



National  
Philanthropic  
Trust

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