



National
Philanthropic
Trust

Your partner in giving

Essentials of Year-End Giving

THE FINAL WEEKS OF THE YEAR have always been an ideal time to both reflect on our past and plan for our future. And now more than ever, as we have had to adapt to new ways of working, gathering, and giving, it has become apparent how important it is to build agility into our planning.

Last year, we saw donor-advised funds (DAFs) issue grants in record numbers. Notable increases in giving, especially to health and human service organizations, suggested something interesting: In a time of crisis, donors were able to respond quickly, using the charitable capital in their DAFs to mitigate the impact of the global pandemic.

Now, in 2021, we have the opportunity to take what we learned during a pandemic that continues to have ripple effects around the world—and put this new wisdom to use. We may not always know exactly what tomorrow's needs will be, but it's never too early to think about how we want to respond with our future philanthropy.

We at National Philanthropic Trust (NPT) have designed this guide to help you navigate year-end giving. We suggest strategies that allow you the space to be flexible in the future, while also attending to your current charitable priorities. We hope this helps inform—and enrich—the way you give.

For contribution and grant deadlines, see page 6.

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Practice Trust-Based Philanthropy

A good relationship between a donor and a nonprofit is like a partnership—and good partnerships require trust. “Trust-based philanthropy” is an emerging model of giving that more equitably balances power and increases transparency between donors and nonprofits. Here are some tips for practicing trust-based philanthropy.

Recommend unrestricted, multi-year grants.*

The best way to invest in a nonprofit you believe in is to provide steady, consistent support. If your favorite nonprofits don’t have to worry about how they’re going to keep their lights on, they can spend more time and energy on the work that makes charitable impact. By recommending multi-year grants with no grant purpose restriction, you provide a reliable source of baseline funding that nonprofits can use to innovate and expand.

Build relationships with the nonprofits you support.

Explore nonprofits organizations’ social media channels, annual reports, and other publications. If you have a question about how they make an impact, don’t be afraid to reach out and ask. When you recommend a grant from your DAF, sharing your name and address along with the grant letter can be a great way to indicate that you’re interested in learning more about the organization’s work.

Invest in organizations with promising returns.

As you nurture your nonprofit relationships, ask about how they measure impact and commit some time to researching their results. Many nonprofits produce “impact reports” and other regular metrics. If you’re confident in the work they’ve done, you may even consider supporting a new initiative the nonprofit is launching, as a kind of charitable early investor. Remember that a grant is not the end stage of a giving relationship—keep in regular contact to learn about challenges and opportunities and adapt your giving accordingly.



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**For reference on Grant and Contribution Deadlines in 2021, see page 6.*



Plan a Charitable Legacy

A DAF allows you to respond quickly to immediate or ongoing needs, but it can also serve as a fantastic long-range planning tool. By establishing a Legacy Plan for how your DAF assets will be handled beyond your lifetime, you can create a tradition of giving that extends beyond your lifetime. Here's how our Legacy Plan options can integrate seamlessly into your estate plan:

SIMPLIFY THE PROCESS



With a Legacy Plan, there's no need for an executor or trustee to carry out your charitable plan; it will go into effect immediately. And with the endowment option, you can ensure that your favorite nonprofits continue to get annual support.

INVOLVE YOUR FAMILY



Your family members can help you advise the DAF and build a tradition of giving. By naming them as successor advisors, you can give them the opportunity to continue the tradition without any additional administrative burden.

SAVE ON TAXES



Leaving assets directly to loved ones can result in inheritance taxes for the beneficiaries of your estate, as well as estate taxes. Bequests to a DAF, however, are eligible for a federal estate tax charitable deduction and can reduce applicable state inheritance and estate taxes.



To learn more, download a copy of our *Planning a Charitable Legacy* white paper from the Resource Library page of nptrust.org.

Choose a Giving Structure

Often, when a donor decides to establish a charitable giving vehicle, they feel compelled to choose between the two most common structures: a DAF or a private foundation.

DAFs and private foundations have unique structures that can be quite different. While a private foundation offers donors full control over the assets, it can be costly and time-consuming to set up and maintain. And while contributing to a DAF means needing to comply with the DAF sponsor's grantmaking criteria, they are comparatively cost-efficient, offer more favorable tax deductions for contributions, and require no administrative effort.

When selecting a giving vehicle for yourself, consider:

- How much control do you wish to retain over your assets?
 - How much time and money are you willing to spend annually to administer the vehicle?
 - What kind of assets are you planning to contribute, and how will that affect your tax deduction?
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There's good news for donors who can't decide: you can also choose both! DAFs work very well as a complement to an existing private foundation. Some donors open a DAF for an easy way to liquidate complex assets; others, to aid in international grantmaking. DAFs can also offer an outlet for families operating private foundations to make grants that don't fall in line with the foundation's formal mission.

To learn more, visit the [Vehicle Comparison](https://www.nptrust.org) page of [nptrust.org](https://www.nptrust.org).





Contribute Non-Cash Assets

NPT is committed to helping donors in making charitable use of their wealth, no matter what form it takes. Last year, for instance, a donor who had founded a handbag company approached NPT hoping to contribute \$12M of the stock in her company. The donor was expecting the company to be sold by the end of the year. She wished to contribute to the fundraising drive of a nonprofit providing work-readiness training to children aging out of foster care. However, the nonprofit did not have the resources or sophistication to accept the shares directly.

After consulting her advisor and NPT's staff, the donor learned that she was able to contribute the shares directly to a DAF as part of her exit strategy from the company. By contributing the shares prior to sale, rather than completing the sale and liquidating them so that she could write a personal check to the charity, she would avoid a substantial capital gains tax obligation.

NPT staff worked with the donor and her advisor to establish the new DAF, which took only minutes online. NPT also guided the donor through the necessary due diligence process to accept the shares. After receiving the contribution, NPT sold the shares in connection with the sale of the company. The donor was able to recommend a grant from the cash proceeds of the sale to help her favorite charity reach their fundraising goals.

If you're planning on contributing non-cash assets, we can help. Your DAF can accept gifts of:

- Publicly traded securities
- Restricted and control stock
- Privately held securities
- Hedge fund interests and private equity
- Real estate
- Cryptocurrency
- Art and collectibles
- ...And more

FOR FINANCIAL ADVISORS:

NPT offers resources to guide you in having supportive, productive conversations with your clients about their philanthropic needs. For more information, and to request our *Empowered Giving Through Non-Cash Contributions* white paper, please reach out to advisorservices@nptrust.org.

Stay on Top of Deadlines

Whether making gifts of cash or complex assets, it's best to start your year-end giving as soon as possible.

You can use these guidelines to ensure that NPT receives your contributions during the 2021 tax year:

Credit Card	Submit by 11:59 p.m. ET on December 31
Check/Cash	Postmark by December 31*
Wire	Initiate transfer by December 27; must be received by December 31
Stock/Bonds/ETFs	Initiate transfer by December 23; must be received by December 31
Mutual Funds	Initiate transfer by November 30; must be received by December 31
Securities, Real Estate and Closely Held Stock	Initiate due diligence ASAP ; must be received by December 31
Cryptocurrency	Submit documentation by December 22; must be received by December 31
Stock Certificates	Contact NPT for instructions; postmark by December 31*

** If using USPS. If using FedEx, UPS or any other non-USPS mail carrier, NPT must receive the contribution on or before December 31.*

Remember to give NPT sufficient time to review your grant recommendation and make a determination. These guidelines can help you time your grant recommendations to respond to your favorite charities' year-end appeals:

For NPT to review, approve and send the grant payments in 2021, we ask that you:

Enter grant recommendation by 5pm ET on **December 20**.

Approved grants will be mailed on or before **December 31**.

If you hope to have your grant recommendation approved in 2021 with grant payments sent early in 2022, we ask that you:

Enter grant recommendation by 5pm ET on **December 23**.

Determinations will be made in 2021, and—if approved—mailed on or before **January 5, 2022**.



Take Action Online

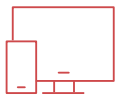
In 2020, online giving grew by 21% over the previous year. In a time of increased need, it was clear to see that technological solutions helped donors mobilize more quickly to offer support.

At this time of year, technology can also help us ensure that when we carry out our charitable plans, we are getting things done quickly, before year-end deadlines sneak up. You can use your online DAF portal to do just that. Here are some of the ways your donor portal can help:



GIVE INSTANTLY.

Contribute with a credit card for immediate access to grantmaking funds.



RECOMMEND A GRANT.

Submit your recommendation online; grant recommendations are usually processed within a week.



ACCESS DAF INFORMATION.

Find resources, guidelines and historical records to inform your giving strategy.



MAKE CHANGES ANYTIME.

Add account relationships, reallocate your DAF investments, manage your Legacy Plan and more.



Partner with NPT

As you head into a busy Giving Season, we hope that this guide proves useful in orienting your year-end philanthropy. You can rest assured that you'll have the dedicated support of our staff of charitable experts.

For 25 years, NPT has helped donors like you develop giving plans that work best for their charitable goals. In that time, our donors have made a tremendous impact: 430,000 grants totaling \$15.5 billion to more than 70 countries around the world. To further our mission to increase philanthropy in society, we also produce a wealth of resources available on our website exploring giving strategies, DAF research, and emerging ideas in the philanthropic sector.

We know how important it is to be able to get answers when you need them, so NPT doesn't have a phone tree; when you call, you will speak to a live person. To get in touch with us, email ubsdaf@nptrust.org or call (877) 277-3191. We'll make sure you talk to the team you need to get the help you want.

You can open an NPT DAF with an initial contribution of \$10,000. Learn more at nptrust.org.

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