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Philanthropic  
Trust

*Your partner in giving*

# Essentials of Year-End Giving 2022





**WE ARE FAMILIAR** with the year-end flurry of people shopping for holiday presents. There is another surge of generosity at this time of year that is a little less tangible. We call it Giving Season—the perennial trend of increased charitable gift-making in the final few months of the year.

Our connections to our values and personal causes, of course, are present all year round. In 2022, as we navigated the third year of a pandemic, landmark court decisions, economic uncertainty, humanitarian emergencies and environmental disasters, it has been more clear than ever that donors were able to respond quickly to charitable needs throughout the year.

Giving Season, therefore, is not just a time to respond to requests for funding from your favorite charities—but also to reflect on your philanthropic goals and plan for future giving.

With a donor-advised fund (DAF), it only takes minutes to configure a charitable vehicle you can use whenever you need to send support to a nonprofit whose work you care about.

### ***A DAF positions you to be able to help when it's needed most.***

In this piece, we'll offer some guidelines for how to use—or establish—a DAF during this busy time of year. We hope you'll use it to give yourself the gift of peace of mind, knowing that you'll be able to power your philanthropy for good.

## Support Charities You Care About Throughout the Year Ahead

It's a familiar story: a food pantry is flooded with donations during the winter holidays but struggles to fill their cupboards in July. The same is true for many organizations—and small, community-based charities in particular could benefit from year-round support.

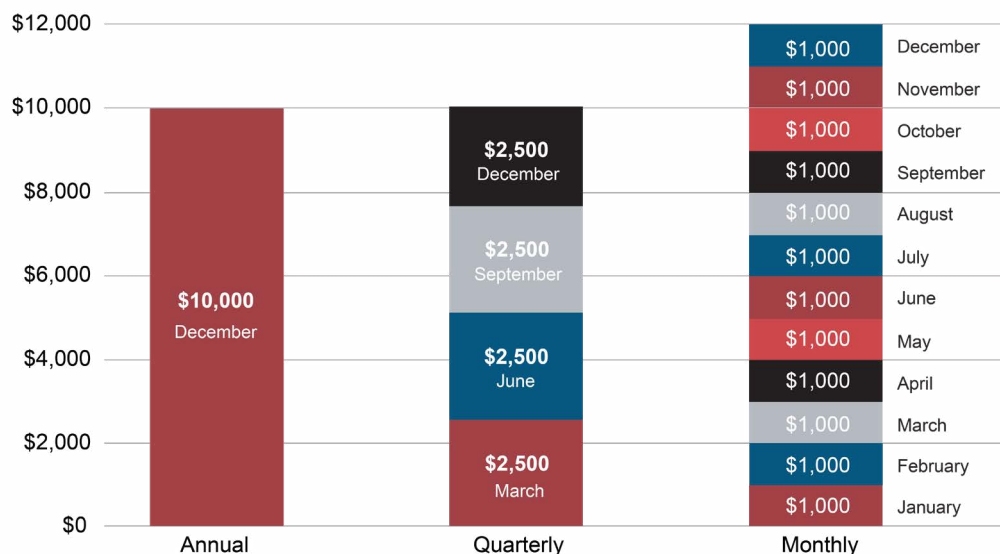
In the rush of the end of the year, it can be overwhelming to think about what's ahead in January; however, if you find that researching organizations and making end-of-year gifts adds stress to your already busy calendar, a great solution is to make recurring gifts throughout the year.

This strategy not only sets you up with a clear plan for giving, but also benefits the nonprofit organizations you support. Recurring gifts—whether they are monthly or quarterly—provide organizations with a sightline for the year. You can set up a recurring gift now or make it part of your New Year's plans.

## Recurring Grants for Regular Giving

By building recurring grants into your regular budget, you may even find you can give a little more without it feeling like a hit to your wallet.

Imagine you donate \$10,000 each year to one of your favorite charities. Here's how a recurring grant might work on three different schedules.



Setting up a recurring grant takes just a few extra clicks using GivingPoint. You can view, edit or cancel your recurring grants anytime on the Grant Activity page—or let GivingPoint automate the grants so you can focus your charitable energy on other opportunities.

## How NPT Handles Complex Assets

One of the reasons Giving Season is so busy is the need to meet year-end deadlines. Some donors make gifts to respond to their favorite charities' fundraising goals; others hope to complete a contribution within the tax year to claim a charitable deduction.

Complex assets like mutual fund interest, restricted stock and closely held business interests require longer lead time—and that's because NPT conducts thorough due diligence. Below is the five-step process for contributing complex assets:



### **You inquire about the contribution.**

The first thing we do is request information about how you acquired the asset in order to ascertain that it is legally yours.



### **NPT conducts due diligence.**

We review legal documentation—which may include, but is not limited to, transfer agreements and financial statements—to assess risk, cost and transferability. This process takes 2-8 weeks.



### **NPT accepts or declines the contribution.**

If NPT accepts the contribution, we will ask you to submit a Contribution Agreement and provide guidance on how to transfer the asset. You may have to obtain a qualified appraisal to substantiate your tax deduction.



### **NPT liquidates the asset to fund your DAF.**

Depending on the asset, we may liquidate the asset immediately (as with cryptocurrency) or maintain a longer holding period. In some cases, we may restrict some proceeds or require additional cash contributions to cover expenses related to holding the asset, such as insurance.



### **You can begin recommending grants.**

As soon as unrestricted liquid funds are available in your DAF account, you can begin submitting grant recommendations, ensuring that the value of your complex asset is harnessed for charitable impact.

## Contribution Deadlines

It's always best to start your year-end giving as early as possible—but whether you're giving with a credit card or contributing cryptocurrency, this timetable will help you plan ahead.

Because December 31 falls on a Saturday, the deadlines for many asset types will be December 30 this year.

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| Credit Card                                    | Submit by 11:59 p.m. ET on <b>December 31</b>   |
| Check (sent by USPS)                           | Postmark by <b>December 31</b>  |
| Check (sent by FedEx, UPS, or other carrier)   | Must be received by 3 p.m. ET on <b>December 30</b>   |
| Money Wire                                     | Initiate transfer by <b>December 23</b> ; must be received by <b>December 30</b>                |
| Stocks/Bonds/ETFs                              | Initiate transfer by <b>December 22</b> ; must be received by <b>December 30</b>                |
| Mutual Funds                                   | Initiate transfer by <b>November 30</b> ; must be received by <b>December 30</b>                |
| Cryptocurrency                                 | Documentation must be received by <b>December 21</b> ; Assets be received by <b>December 31</b> |
| Securities, Real Estate and Closely Held Stock | As early as possible  |
| Stock Certificates                             | Initiate process as early as possible<br>Must be received by <b>December 30</b>                 |

### Did you know you can give to your DAF online with a credit card?

Your contribution is made available in your DAF immediately—meaning you can start making grants right away. Log on to GivingPoint at [donoradvisedfundgiving.org](https://donoradvisedfundgiving.org) to contribute to your NPT DAF online.



## Grantmaking Guidelines

When donors make DAF grants at year-end, they're usually hoping that their favorite charities receive them before New Year's. Just as our Legal team conducts due diligence for complex asset contributions, our Grants team reviews your grants to ensure that they go to charitable purposes—and safely reach their intended recipients. To give our team time to process and issue your year-end grants, use the guidelines below:

**For NPT to review, approve and send the grant payments in 2022, we ask that you:**

Enter grant recommendation by 11:59 p.m. ET on Monday, **December 19**.

Approved grants will be distributed on or before Friday, **December 30**.

**If you hope to have your grant recommendation approved in 2022 with grant payments sent early in 2023, we ask that you:**

Enter grant recommendation by 11:59 p.m. ET on Friday, **December 23**.

Grants approved in 2022 will be distributed on or before **January 5, 2023**.



### NEW in 2022: Grant Payments Get Grant Money to Charities Faster

This Giving Season, the charities you support can enjoy the benefits of Grant Payments, a new digital grantmaking solution developed in partnership with PayPal.

With Grant Payments, charities can register and elect to receive the grants you recommend electronically, delivered straight to their PayPal accounts in a matter of minutes—rather than having to wait for a check to arrive in the mail.

As a donor, you don't have to do anything; more than 200,000 charities are already eligible to receive electronic grant funding. Charities that are not yet registered will still receive their grants via check, along with an invitation from NPT to register for Grant Payments so that they can receive their grant funding faster. Log in to GivingPoint today to see which of your favorite charities are already enrolled.

## A Head Start on Year-End Giving with NPT

Any good gift requires planning, and charitable giving with a DAF is no exception.

As you plan for Giving Season, you'll have the full support of our team. For more than 25 years, NPT's charitable experts have provided donors with tactical strategies to reach ambitious giving goals. We are honored to have supported them in making a collective 541,000 grants totaling \$21.0 billion to charities in more than 70 countries around the world. In our mission-driven work to increase philanthropy in society, we also provide thought leadership on emerging approaches giving and charitable strategies, and offer philanthropic consulting services for those looking to take the next step.

To get in touch with one of our team members, email [donoradvisedfund@nptrust.org](mailto:donoradvisedfund@nptrust.org)—or call (877) 277-3191 to speak directly to someone on the phone.

As you approach Giving Season, we are confident that this guide and the NPT team—along with the resources available at [nptrust.org](https://nptrust.org)—will help you determine your best way forward.

