



National  
Philanthropic  
Trust

*Your partner in giving*

## Essentials of Year-End Giving

**IN THE FINAL MONTHS OF THE YEAR**, many of us find ourselves looking back as we also anticipate a new year to come.

These dynamics are particularly true of charitable giving. Charities often make year-end appeals for their final fundraising campaigns to capture the spirit of generosity that comes with the season. For donors, philanthropy becomes not just an expression of goodwill, but also a mutually beneficial tax-planning strategy.

Savvy philanthropists are thoughtful about where, how and what they give. Though donors' philanthropic missions are unique and personal, a charitable vehicle like a donor-advised fund (DAF) can be a powerful tool to help them manage their choices—especially at a time of year when giving is a part of our rituals.

At National Philanthropic Trust (NPT), our mission is to increase philanthropy in society. Our donors are a generous and inspired community of givers. We hope the strategies we outline for using an NPT DAF will help you to give meaningfully and impactfully this season.

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## Contribute Complex Assets

NPT's approach to charitable giving helps donors go beyond traditional checkbook philanthropy. We collaborate with our donors to explore the possibility of gifting assets of all types—which can be a tax-efficient alternative to giving cash. In addition to contributions of appreciated securities, we can accept:

- Closely held business interests
- Restricted and control stock
- Alternative investments like hedge funds and private equity funds

**TIP:** If you have an asset with an established or unknown cost basis held for longer than one year, consider contributing it to a DAF; you may be eligible to avoid capital gains tax.

### SEIZE OPPORTUNITY MOMENTS

Some of the best times to consider establishing a DAF are during periods of transition. When a donor is experiencing a change, incorporating a DAF into their financial planning can help them avoid taxes, save money for future charitable giving or create a resource for future gifts. If you're anticipating any of the following events—or if you have experienced them recently, and are looking for a year-end planning strategy—a DAF could be right for you:

- A high-income year or bonus
- An inheritance
- The sale of a business
- A multi-year charitable commitment

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## Focus Your Philanthropic Strategy

NPT is committed to helping donors realize their philanthropic visions. At a busy time of year, donors can feel overwhelmed about their giving decisions. These tips can help donors focus their philanthropy for the greatest impact.



### DEFINE GOALS—AND LIMITS.

You may want to articulate your top three charitable goals or causes. This exercise can help you think through what you want your giving to accomplish. From there, you can consider how much you are willing to give to each cause annually, and stick to that budget. You may want to set aside funds for disaster relief or other unanticipated events.



### DO RESEARCH.

Taking the time to look at a charity's website can give you a sense of the organization's history and their impact or theory of change. You can also review information about charities on Guidestar, and evaluate which organization resonates most with your goals.



### EXPLORE SOMETHING NEW.

The best way to learn about giving is to try it out. You may want to take a chance on charities that are new to you. If the gifts don't resonate with you after a few years, you can move on with a greater sense of what you are seeking. NPT's Philanthropic Services team is available to help donors like you to develop a thoughtful charitable strategy.

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## Review Tips for Successful Grantmaking

An NPT DAF is adaptable to support our donors' unique personal philanthropic strategies. DAFs can be even more powerful when donors take the time to familiarize themselves with their capabilities and limitations. Please use this as a reference when planning your year-end giving.

### DAFs are **NOT IDEAL** for:

- **Event Tickets**  
The year-end giving season is full of charity auctions, parties and galas. Please know that DAFs cannot pay for any part of the ticket price for events the donor will attend.
- **Membership Fees**  
DAFs can support charities, but donors may not receive any personal benefits. Donors must waive all benefits to be able to grant toward a membership drive.
- **Payments to Individuals**  
Payments earmarked for salaries and direct individual scholarships are not permissible. DAF grants must be made to charitable organizations.

### DAFs are **GREAT** for:

- **International Grants**  
NPT is able to make grants directly to non-U.S. charities. Our Grants team performs special due diligence to ensure that the grantee is charitable in nature. Extra fees will apply.
- **Recurring Grants**  
If a donor intends to support a qualified charity more than once, they can recommend a payment schedule—a “set it and forget it” option for regular grantmaking.
- **“Bundling” Contributions**  
If a donor has a regular giving practice, they can “front load” future years' worth of giving into their DAF to receive the tax benefit now and grant later.

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## Establish a Legacy

Charitable giving is a way to invest in causes for years to come. NPT's DAFs offer you an easy way to make a meaningful, lasting plan for your charitable dollars and to set up your philanthropic legacy. You can design a legacy plan with any combination of these options:

1. **Successor Advisors**  
Name one or more successor advisors who will receive their own DAFs to be created from your assets.
2. **Charitable Beneficiaries**  
Identify a favorite charity or charities to be supported with a lump-sum donation.
3. **Endowment**  
If you have DAF assets of \$100,000 or more, you can recommend charities to receive a recurring annual grant.

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## Open a DAF Account Easily

If an NPT DAF seems right for you, you can establish your own. It can be opened in as little as 24 hours. Here's what you need to do to get started:

- Name the new DAF
- Provide contact info for the Primary Advisor (the main donor)
- Contribute \$25,000 or more in assets (with a Contribution Agreement)
- Identify and provide contact info for any:
  - Joint advisor, usually a spouse (optional)
  - Secondary advisors, like friends or children (optional)
- Select your Investment Allocation (can be selected later)
- Create a Legacy Plan (can be established later)



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## Manage Your Account Online

Our online donor portal offers donors the ability to manage their personal giving from the convenience of their own home—or even on the go. Using this tool, donors can recommend grants, reallocate investments, print gift receipts and view DAF account activity.

Donors can even contribute using a credit card. Credit card contributions make funds immediately available for grantmaking, which can be very convenient during a busy year-end season.

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## Stay on Top of Deadlines

Time your year-end giving carefully. Please use these guidelines to help you ensure that your contributions will be finalized during the 2019 tax year:

Check/Cash	Postmark by December 31*
Credit Card	Submit by 11:59 p.m. ET on December 31
Wire	Initiate transfer by December 26; must be received by December 31
Stock	Initiate transfer by December 23; must be received by December 31
Stock Certificates	Postmark by December 31*
Bonds	Initiate transfer by December 23; must be received by December 31
Mutual Funds	Initiate transfer by November 29; must be received by December 31
Securities, Real Estate and Closely Held Stock	Initiate due diligence ASAP; must be received by December 31

\* If using USPS. If using FedEx, UPS or any other non-USPS mail carrier, contribution must be received by December 31

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## Partner with NPT

Since our founding in 1996, we have become a nationally recognized leader in philanthropy. Drawing from decades of experience, NPT helps donors develop a strategy that works best for their charitable aspirations. Our work is based on these defining principles:

### INNOVATION

The charitable landscape is changing all the time. We are continuously seeking the most up-to-date research and developing new and better tactics to help donors realize their philanthropic vision.

### COLLABORATION

Our donor-centric model keeps donors empowered to stay active with their giving. We welcome new ideas and encourage conversation. NPT doesn't have a phone tree; donors can speak to a live person anytime.

### VERSATILITY

NPT offers a variety of options—investment strategies, grant structures and even charitable giving vehicles—to allow donors to customize their giving experience to their needs.

Any individual, family, trust, business or nonprofit organization can open a DAF with an initial contribution of \$25,000 or more. Donors can make additional contributions of \$5,000 or more at any time, or \$1,000 or more if giving with a credit card.

Learn more at our website, [npitrust.org](http://npitrust.org), or by contacting us at [npt@npitrust.org](mailto:npt@npitrust.org) or (888) 878-7900.