



Contribute to your Donor-Advised Fund Today and Strengthen Your Ability to Give

By Andrew Hastings, Chief Development Officer

In a year marked by unpredictable events, there are a few things we know for certain. Our donors have been recommending grants at a [furious pace](#)—greater than at any other period in National Philanthropic Trust’s history. Even so, with the pandemic continuing to wreak havoc, nonprofits need your ongoing, long-term commitment. To ensure that you have the charitable funds set aside to support your favorite nonprofits, you may want to replenish your donor-advised fund (DAF) account.

Now is a particularly good time to consider a contribution of appreciated assets, such as stocks, ETFs or mutual funds that you have held for more than one year. As of mid-July, the stock market had made a remarkable recovery, rising approximately [25 percent](#) from its low point in March. With a DAF, you can make a contribution when the market is strong—thereby locking in your gains—and then use that charitable capital to recommend grants over time.

If you’d like to shore up your charitable giving funds, here are a few steps to help you get started:

- **Carefully consider your grantmaking needs.** Begin by making a list of the organizations to which you already give. Do you plan to renew your support in the coming year? Next, think about any new causes that may have touched your heart recently. Is there an organization you would like to add to your list of grantees? By going through this exercise, you can determine how much you plan to give in the coming months.
- **Take a look at your DAF funds.** Given the amount of grantmaking you may have done already this year, do you have the funds currently available in your DAF to fulfill an ongoing commitment to your existing charities—and to support new nonprofits you may have identified? You may want to take advantage of the recent gains in the market and contribute appreciated assets for future grantmaking.
- **Review your taxable portfolio with your advisor.** If you hold assets that have increased significantly in value, it could be a good time to harvest some gains, contribute strong performers to your DAF and rebalance your portfolio. When you donate appreciated assets that you have held for more than one year, you can generally take an income tax deduction for the full fair market value of the gift. You can also avoid triggering the capital gains taxes that you would owe if you sold the gift and donated the proceeds.

Contribute to your DAF Today and Strengthen Your Ability to Give (continued)

By contributing to your DAF today, you won't have to worry that a downturn could put your giving—and the causes important to you—at risk.

To learn more about NPT's [uniquely flexible DAFs](#) and how you can take the long view with charitable giving, please contact us at (888) 878-7900 or by email at npt@nptrust.org.

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