



**Jewish Community
OF GREATER
Foundation METROWEST NJ**

DONOR ADVISED FUNDS

Have you considered starting your own charitable foundation?

Are you concerned about making the most of your charitable donations and minimizing administrative distractions?

A Donor Advised Fund at JCF eliminates administration and excise taxes so you can focus on making high-impact grants to support your community.

A Donor Advised Fund allows you to donate your cash or marketable securities at a time that is advantageous to you for tax or other purposes, allowing you time to decide which charities you would like to support. By making a contribution of \$10,000 or more, you may establish a fund that you name. Any contributions you make of assets you have held for at least one year are fully tax-deductible and are afforded the most favorable tax treatment. In addition, any funds held in the account grow tax-free.

You may recommend that grants be made, at any time, from your fund to specific charities you wish to support. A single contribution may later be used to distribute donations to any number of charities, avoiding the cumbersome requirement of breaking a security position into many small units. The minimum distribution you may recommend is \$100. Unless you request anonymity, grant checks are sent in the name of your fund.

You may nominate your children to make grants on your behalf now or as your successors enabling your family's future generations to carry on the philanthropic tradition you have established.

A Donor Advised Fund can provide the advantages of a private foundation while eliminating the initial and ongoing legal and accounting costs. Your fund will also avoid excise taxes on investment income that would be due with a private foundation. When contributions are made, the allowable tax deductions are greater than those available when contributions are made to a private foundation.

Donor Advised Funds – At a Glance

- Established with cash, securities or other assets with a minimum initial donation of \$10,000
- Allows you to recommend grants to any kind of qualified organization you wish to support
- Offers a higher level of income tax deduction versus private foundations
- Involves your family in philanthropy, to any degree you choose
- Provides more privacy for you and your family than creating and operating a private foundation

Typical Donor Profile

- Wants the features of a private foundation without the administrative burdens
- Would like to involve the family in charitable decision making
- Wants to make a gift now, but is not ready to distribute all of it to charities at present time

What Else Do I Need to Know About Donor Advised Funds?

- **Donor Advised Funds are flexible.** You can make a donation to your Donor Advised Fund at JCF and take an immediate charitable income tax deduction. At a later time, you can choose which charities you would like to receive distributions from your fund and how much they will receive.
- **Donor Advised Funds offer better tax benefits.** As a component fund of a public charity, a Donor Advised Fund features tax deductibility limits that are higher than those available for gifts to a private charity (such as a private foundation or private charitable trust). There are no excise taxes on investment income in a Donor Advised Fund, nor are there annual minimum distribution requirements.
- **Donor Advised Funds are simple.** You are not required to file separate tax returns, and Donor-Advised Funds are not subject to restrictive private foundation rules.
- **Donor Advised Funds are easy to use.** Fund Advisors can view fund balances, recommend grants and more via the internet.

For more information, contact:

Stanley Stone, Executive Director
Jewish Community Foundation of Greater MetroWest NJ
901 Route 10 ▪ P.O. Box 929
Whippany, NJ 07981-0929

Phone: 973.929.3113 ▪ Email: sstone@jfedgmw.org ▪ Web: www.jcfmetrowest.org