



Donor Advised Funds: The Key Tool Serving Our Communities at a Time of Economic Crisis!

Donor advised funds are an important charitable vehicle of community foundations in addressing critical community needs.

- In 2008, 56 percent of community foundations' grant dollars came from donor advised funds (\$1.7 billion).
- Payout from donor advised funds is more than three times the payout from other funds—16.4 percent versus 5 percent.
- More than a quarter (28 percent) of grantmaking from donor advised funds address critical human service needs of local communities in 2008, including assistance in obtaining food, health care, education, housing, foreclosure prevention, emergency shelter, and utilities.
- Even in these difficult economic times when the value of many community foundations' assets have fallen dramatically, in 2009 the majority of community foundations will be maintaining or increasing their grantmaking from donor advised funds to address human service needs.

How You Can Help

Co-sponsor the Pomeroy-Herger bill. Representatives Earl Pomeroy (D-ND) and Wally Herger (R-CA) introduced H.R. 1250 on Monday, March 2, 2009. H.R. 1250 would make the charitable rollover incentive permanent and allow taxpayers who make IRA distributions to donor advised funds, supporting organizations, and private foundations qualify for the tax incentive. The bill would also lift the \$100,000 cap on distributions and allow planned gifts beginning at age 59-and-a-half. Please support H.R. 1250.

What Is a Community Foundation?

A community foundation is an organization, supported by donations from residents of a specific geographical area, which distributes funds for charitable purposes in the same general locality. *(*For a technical definition, please contact the Council.)*

What Is a Donor Advised Fund?

A donor advised fund is a type of charitable fund established by a donor at a community foundation, which invests the assets and disburses grants for charitable purposes. Donors make suggestions about the distribution of grant funds. Donor advised funds can be established with limited funds, in some cases as little as \$5,000, thus democratizing philanthropic giving.