



The Rotary Foundation
of Rotary International

www.rotary.org

VISIONS

CHARITABLE ESTATE & FINANCIAL PLANNING IDEAS FROM THE ROTARY FOUNDATION

THE DONOR ADVISED FUND CAN MAXIMIZE YOUR GROUP'S CHARITABLE DOLLARS

Rotarians and Rotary clubs across the country are involved in a variety of projects to help those in need, and they are raising funds to support those projects throughout the year. These successful efforts are what make Rotary so special. Still, many Rotarians ask, "How can we do more?" The perfect answer may be The Rotary Foundation Donor Advised Fund (TRF DAF).

If your club is considering establishing its own foundation or seeking to improve an existing foundation by reducing administrative costs and obtaining professional asset management, then TRF DAF may be for you.

REACH YOUR GROUP'S OBJECTIVES WITH A DAF ACCOUNT

Your Rotary club or district may be able to increase contributions from Rotarians, community members and local businesses looking for a way to:

- Receive a tax receipt for their contribution,*
- Conveniently contribute appreciated securities, or
- Contribute to an organization with professional asset management.

A DAF account allows donors to do all three. Started by a Rotary club or Rotary-affiliated group, TRF DAF is a great way for Rotarians and supportive community members to receive immediate tax benefits for their contributions of cash and securities. Corporations can also contribute to a DAF account and receive tax benefits. The DAF account funds are then professionally invested and managed using a choice of four portfolio options.

Once an account is funded with the initial \$20,000 or more, account holders can make grant recommendations to any IRS-approved charity in good standing in the United States. This, of course, includes the many programs within The Rotary Foundation. A DAF account is a great way to raise and distribute funds for multiple needs and long-term planning.

* Tax deductions discussed herein refer specifically to federal taxes. Rules and regulations regarding tax deductions for charitable giving vary at the state level. Please check with your tax advisor.



The Rotary Club of Topsfield, Boxford and Middleton, Massachusetts, recommended grants from the TBM Rotary Foundation DAF account in support of The Windrush Farm Therapeutic Equestrian, Inc., which provides equine therapy to people with physical, emotional and learning disabilities. Pictured above are club members and participants at the Massachusetts Special Olympics Competition.

INSIDE

- *DAF vs. private foundation*
- *What Rotarians say about TRF DAF*
- *Is there a DAF in your district? See page 4*

STREAMLINED ACCOUNTING ALLOWS TAYLOR ROTARY CLUB TO FOCUS ON FUND-RAISING

Previously, the Rotary Club of Taylor, Mich., used one bank account for all its funds. Pooling general dues and fund-raising proceeds together caused confusion and difficulty in keeping accurate records, so the club began to research a way to simplify the process.

During his training as Regional Rotary Foundation Coordinator, Lawrence Wright was introduced to The Rotary Foundation DAF. While comparing the Donor Advised Fund to a private foundation for his club's use, he learned the biggest advantage to a private foundation is that it can disperse the funds to anyone, not just an IRS-approved, US-based charity. The biggest downside to a foundation, he said, was record keeping.

"Experienced Rotarians told us that record keeping, both within their foundations and with the IRS, becomes burdensome as officers change," he said. "Using TRF DAF would serve to outsource that in a very efficient way. TRF DAF was a great move for us."

Some members of the club were initially concerned about the limits on grant recipients, so a decision was made to open a DAF account and see how it went for a few years. When the Taylor Rotary Foundation DAF was opened in September 2004, the club immediately saw improvements. "The DAF quickly became the vehicle

of choice for making contributions. We could more clearly segregate the funds," he said, adding that the convenience of receiving quarterly statements relieved the burden that was previously on his club members. "The record keeping is totally accurate."

The Taylor Rotary Foundation DAF account has been assured a continued place in the Taylor Rotary Club. "It is very easy to manage the DAF," Lawrence said. "Whenever we have needed any information or a report, the staff is so responsive. We have been very impressed with how helpful everyone at The Rotary Foundation has been."

"We have not run into a problem with the restriction on only distributing to a 501(c)(3)," he said. The Taylor Rotary Foundation DAF works with the District 6400 Foundation to fund projects that are not qualified recipients of DAF grants. "If there is a project within the district that doesn't have a 501(c)(3), we can recommend a grant to the District 6400 Foundation, who can then give to the project," he said.

The account holders were happy to realize an unanticipated benefit of the DAF. "The investment vehicle is a huge plus that we didn't focus on initially. Our account holders are now watching the investments and moving the funds around so they can grow."



Lawrence Wright (Rotary Club of Taylor, Mich.) stands with his wife, Sarah, and a family from the region near Chinandega, Nicaragua. Thanks to funds from the Taylor Rotary Foundation DAF and several other generous Rotarians, 32 families in this remote rural region now have homes with running water. The Taylor Rotary Foundation DAF recommended grants to the US-based District 6400 Foundation to fund this project.

The Rotary Foundation Donor Advised Fund application forms and information are available online at www.rotary.org or by e-mailing plannedgiving@rotary.org.

THE ROTARY FOUNDATION DONOR ADVISED FUND IS LIKE HAVING A CLUB FOUNDATION

If your Rotary club has considered creating a charitable foundation to provide tax-exempt support for its charitable interests, then you should consider TRF DAF as a cost-effective alternative. Forming a separate charitable foundation requires you to comply with an array of federal and state laws to establish and maintain its non-profit status. See www.IRS.gov for more details.

Alternatively, opening a DAF account is inexpensive and can be started with a simple application. Once the DAF account is in place, The Rotary Foundation assumes responsibility for administration of the funds, freeing your time for other activities. Additional advantages of a DAF account include:

- No costly start-up fees.
- No tax on net investment gain or net capital gains.
- Professionally managed portfolios.
- No annual federal tax filings, detailed accounting practices or due diligence for grant distributions required on your part.
- Contribution receipting and grant-making management done for you.
- Ability to recommend grants to any IRS-approved, US-based public charity in good standing.
- Annual grant distributions of 1% of fund assets to The Rotary Foundation Annual Programs Fund earn Paul Harris Fellow recognition for your Rotary DAF account and help achieve your club's Annual Programs Fund goal.

SIMPLICITY

It is no wonder that The Rotary Foundation Donor Advised Fund is quickly becoming the charitable giving vehicle of choice for so many Rotarians and Rotary-affiliated groups. TRF DAF accounts are easy to create and inexpensive to manage; they provide generous tax savings and offer the peace of mind that comes with knowing your charitable goals are being met.

MAKING IT HAPPEN AND ATTRACTING DONORS

The Rotary Foundation Donor Advised Fund Program Circular and application forms are available for download online at www.rotary.org. Once a Group DAF account is opened, there are several ways to contribute to it, with the simplest being by check or transfer of marketable securities.

The Rotary Foundation staff will be happy to work with you, your advisors and your Rotary club as you explore the opportunities of using a DAF account to support the causes important to your club or district.



The Laredo Rotary Club DAF account was established through the generosity of many in the Laredo community. Pictured above, a \$7,000 donation from the Guadalupe and Lilia Martinez Foundation was given to help the club make their initial contribution. Since inception, the Laredo Rotary Club DAF account has facilitated several community projects.

CURRENT GROUP TRF DAF ACCOUNTS

Rotary clubs, districts and friends across the United States have decided that The Rotary Foundation Donor Advised Fund is the best way to help meet their charitable giving goals. From Alaska to Florida, Rotarians are realizing the advantages of partnering with The Rotary Foundation to support their favorite charities.

Blindness Prevention DAF
Rotary Zones 29 & 30 DAF
International Fellowship of
Rotarian Musicians DAF
Ellen Meadows Prosthetic Hand
Foundation DAF
Tsunami Relief in Honor of Ben
Abels DAF
District 5010-Anchorage
Community Projects DAF
Tacoma North Rotary-Al Schlaht
DAF (D5020)
Mt. Bachelor Rotary DAF
(D5110)
49er Rotary Endowment DAF
(D5190)
Fresno Rotary Playland/
Storyland DAF (D5230)
Newbury Park Rotary Charitable
DAF (D5240)
Rotary Club of Rancho Mirage
Foundation DAF (D5330)
Rotary Club of Coronado
Endowment DAF (D5340)
District 5340 Matching Grants DAF
Sugarhouse Rotary Memorial
Trust DAF (D5420)
Northway DAF (D5450)
Rotary Club of Colorado Springs-
InterQuest DAF (D5470)
San Juan Rotary Club DAF
(D5520)
Mesilla Valley Hospice-Rotary
DAF (D5520)
Rotary Club of Santa Fe
Foundation DAF (D5520)
Drawworks, Inc.-"Fountaingate
Children's Home, Inc." DAF
(D5520)
Rotary Club of Angel Fire DAF
(D5520)
District 5580 Memorial DAF
Rotary District 5790 DAF

Nocona Group Scholarship DAF
(D5790)
Forster New Generation DAF
(D5810)
Frisco Noon Rotary Club DAF
(D5810)
Plano Rotary Club Foundation
DAF (D5810)
Rotary District 5830 DAF
District 5840 DAF
Laredo Rotary Club DAF (D5930)
Dr. Chandra S. Kaup and Rotary
Club of Florissant, MO DAF
(D6060)
Wentzville Missouri Rotary Club
DAF (D6060)
Taylor Rotary Foundation DAF
(D6400)
Robert and Elke Friedman
Charitable Foundation DAF
(D6440)
Rotary Birthplace DAF (D6450)
Rotary Club of Belleville DAF
(D6510)
Danville Indiana Rotary
Foundation DAF (D6560)
Oregon/Northwood Rotary
Foundation DAF (D6600)
Trilby (Toledo) Rotary Club DAF
(D6600)
A. C. Michels Family Charitable
Fund (D6740)
Rotary Club of Covington, KY
DAF (D6740)
Cullman Rotary Club DAF
(D6860)
Rotary Club of Gwinnett County
DAF (D6910)
Rotary Club of Seminole DAF
(D6950)
District 6970 DAF
Rotary Club of Celebration DAF
(D6980)

TK Foundation DAF (D7020)
Cortland Rotary Club DAF
(D7170)
William Barlow Ware District
7170 DAF
Rotary Club of Lancaster
Northeast DAF (D7390)
Rotary Club of Matewan DAF
(D7550)
Front Royal Rotary Carbaugh
Community DAF (D7570)
Rotary Club of Hampton Roads
DAF (D7600)
Western Henrico Rotary Charity
DAF (D7600)
Dulles International Airport
Rotary Club DAF (D7610)
WDC-DAF (D7620)
Alamo Heights Rotary DAF
(D7670)
Rotary Club of Franklin
Scholarship DAF (D7670)
Rotary Club of Statesville-Fourth
Creek DAF (D7680)
Charlotte Southpark Rotary
Foundation DAF (D7680)
Rotary Club of Charlotte DAF
(D7680)
James T. Turner, Sr. DAF (D7730)
District 7770 DAF
South Berwick Rotary Charitable
DAF (D7780)
Sanford-Springvale Rotary Club
Project DAF (D7780)
Andrew E. Kuby, Jr. Memorial
Scholarship DAF (D7790)
TBM Rotary Foundation DAF
(D7930)
Wakefield Rotary Charitable
Foundation DAF (D7950)
Samuel Hurvitz PDG World
Community Service DAF
(D7950)



The Charlotte Southpark Rotary DAF account granted \$21,000 to The Rotary Foundation for a Matching Grant project in Peru. The grant went to an eye care clinic aiding people who earn a living through manual labor. Pictured above is a piece of ophthalmology equipment purchased for the clinic as part of the Matching Grant project.

If your district is not listed, your group could be the first!

FOR MORE INFORMATION

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