

# Corporate Donor Advised Funds

## Supporting Your Company's Giving Efforts

The Hawai'i Community Foundation (HCF) helps businesses, private foundations, and other organizations achieve their charitable goals. One great tool for setting up a philanthropic program for your company or organization is a donor advised fund, sometimes called a DAF. It's simple to create, convenient to manage, and flexible enough to offer as much hands-on involvement as desired.

### How does a donor advised fund work?

Here are the basic steps for creating and using a donor advised fund.

- 1. ESTABLISH THE FUND** Your company makes a gift of cash or other assets to establish your donor advised fund at HCF. Your company chooses the fund name and designates authorized representatives of the organization to serve as fund advisors.
- 2. REAP SIGNIFICANT TAX ADVANTAGES** Contributions to a donor advised fund are treated as gifts to a public charity, and some companies may be able to take a charitable deduction in the year the contribution was made.
- 3. PLAN FOR FUND GROWTH** Depending on your philanthropic plans, funds may be held in a money market account or invested in other financial vehicles for long-term growth. HCF has several different investment managers to choose from.
- 4. RECOMMEND GRANTS** Fund advisors recommend grants from the donor advised fund to support local or national charities. After a thorough review and approval, HCF makes the grants in the name of the fund (or anonymously, if desired).

### What are the benefits of creating a donor advised fund with HCF?

» **A dedicated philanthropic services team.** Your HCF team will research charitable organizations and answer any questions to support your grantmaking. Online tools allow you to manage the fund conveniently and efficiently.

» **With staff across the state, we know the community.** We know firsthand the changing needs of each Island community, which nonprofits are effectively addressing those needs, and how to maximize the impact of your organization's charitable giving.

» **Philanthropy regulations can get complicated.** You don't have to go it alone. Our experience, which ensures federal and state compliance, relieves your organization of administrative, compliance, and tax burdens. Also, our scale enables us to service your fund at a very reasonable cost.

» **You're in good company.** Your company will join a large network of individuals, families, and businesses who are deeply committed to Hawai'i. Your company can be acknowledged for its philanthropy in HCF publications and invited to donor events, or you can choose to remain anonymous. You can also choose to give alongside other funds through existing HCF initiatives and pooled funding opportunities that further leverage your organization's grantmaking.





## The nuts and bolts

**HCF donor advised funds are established with a minimum gift of \$25,000**, and additional resources can be added to the fund at any point. The minimum grant amount is \$250, and your organization can recommend grants at any time. If the fund balance drops below \$5,000, we'll ask that you add to the fund or spend out the fund within 12 months. If you plan to invite individuals to contribute to the fund, you can talk with us about potential structures and restrictions.

**The fee for a donor advised fund** — covering administrative costs and support services such as philanthropic consulting, workshops, and community work — **is 2 percent of each contribution and a 1 percent annual fee** thereafter.\*

\* Fees are subject to change without prior notice.



**How Do I Get Started?** Contact us at **(808) 566-5560** or **donorservices@hcf-hawaii.org**. A philanthropic advisor can help you establish a donor advised fund.



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