

# Data Strategy Forum



## The Data Behind Donor Advised Funds



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2020  
Fundraising:  
A United Vision

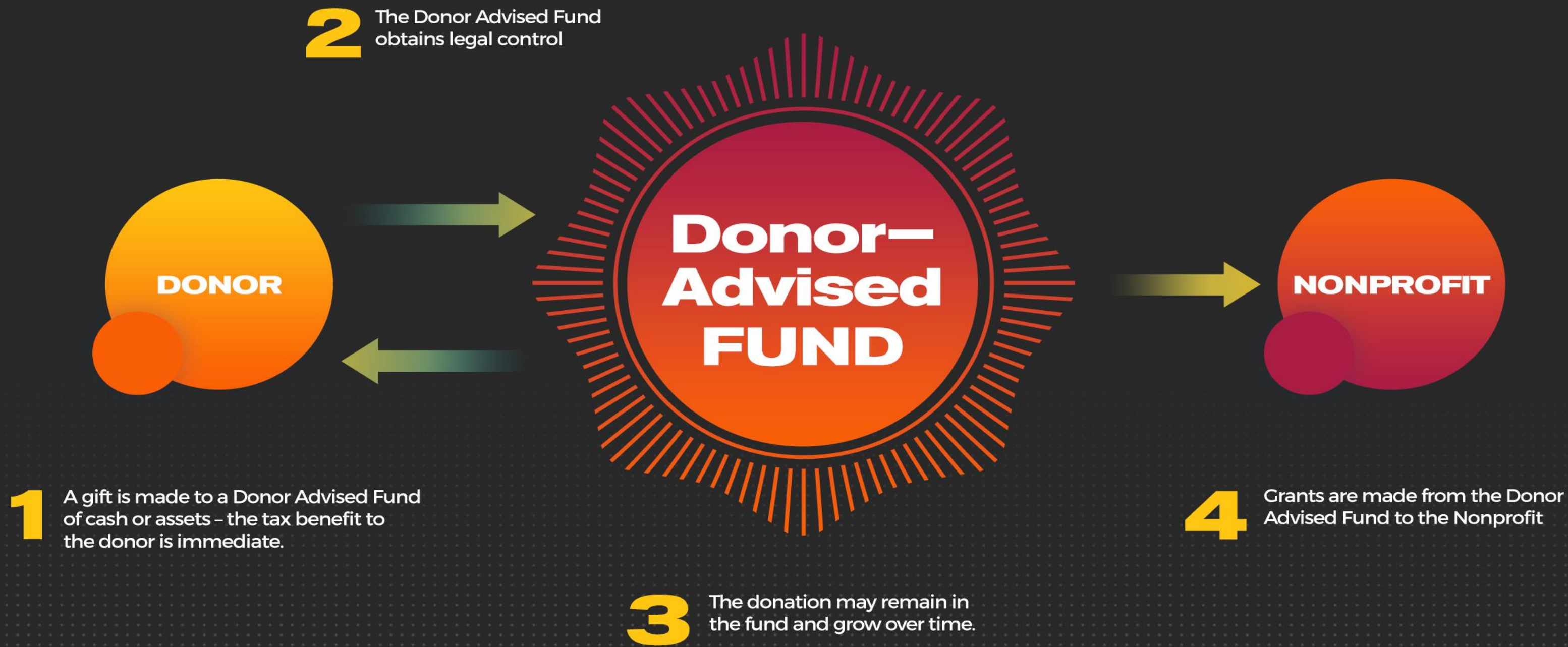
The graphic features the year "2020" in large white font. A pair of black-rimmed glasses is superimposed over the numbers. The left lens contains the words "Direct Mail", "Data", and "Integrated". The right lens contains "Digital", "Social Media", and "CCPA". Below the year, the words "Fundraising:" and "A United Vision" are written in white and yellow respectively.

Sponsored by:



Tuesday, October 13 | 2:40 - 3:10 PM EDT

1. A quick overview of Donor Advised Funds
2. The value of Donor Advised Funds
3. Important data
4. Understanding your system and how to manage Donor Advised Funds
5. Data Governance and quality control
6. Continue the Relationships



## Types of Donor Advised Funds



- Commercial  
Fidelity Charitable Fund, Schwab Charitable Fund, Bank of America Charitable Fund
- Community Foundation  
Local Organizations
- Single Issue  
Climate Change, Social Issue
- Hybrid  
Single Issue or community through a commercial fund

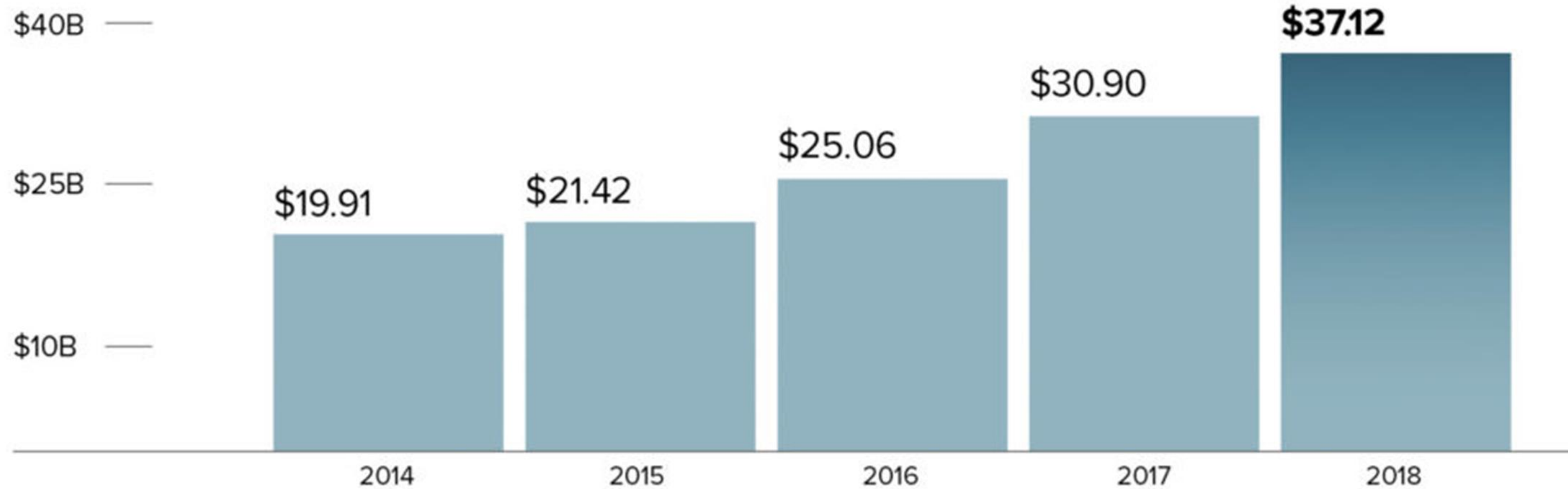
# The Tax Advantage

1. Income Tax: Immediate income tax deduction
2. Capital Gains Tax: Estate Tax: DAF is not be subject to estate taxes
3. Tax-Free Growth: Investments in a DAF can appreciate tax-free
4. Alternative Minimum Tax

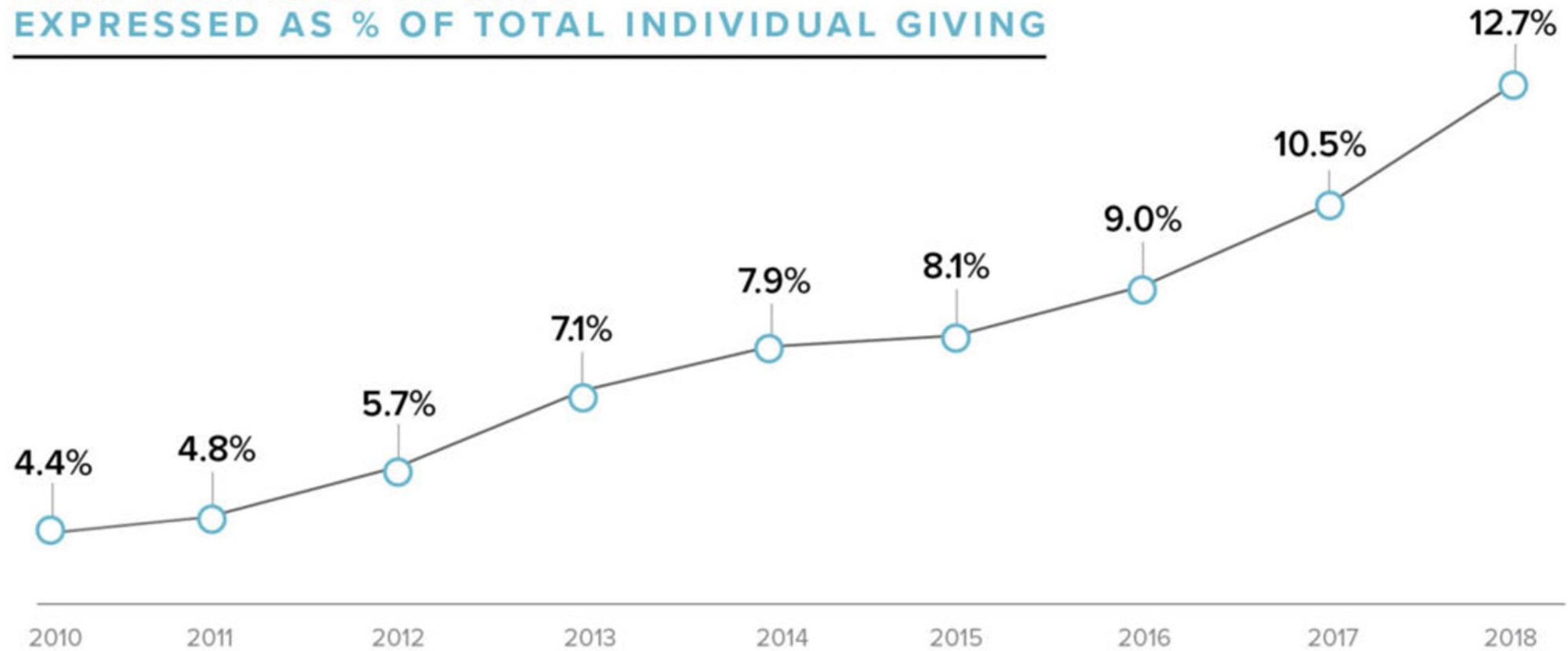




**FIGURE 2:** Total Value of Contributions to Donor-Advised Funds (\$B)



## CONTRIBUTIONS TO DAFS EXPRESSED AS % OF TOTAL INDIVIDUAL GIVING



**Remember the donor advised fund is just the vehicle the donor chose to use to give to you**



Important Data – Recording the gift for both tax reasons and **recognition**

Create a Donor Record for the Sponsoring Entity if it doesn't already exist

Add a hard credit donation

The gift from the sponsoring entity – Fidelity Charitable, Schwab etc. should be retained as a **hard credit**

Create a Donor Record for the initial donor

Add a soft credit donation

The initial donor is a **soft credit** - they are the gift influencer

The sponsoring entity should receive a tax receipt

The initial donor receives a thank you identifying their influence on the donation – but **not a tax receipt**

Clearly state that the donation came from a Donor Advised Fund

### **Pledges and Events**

Getting the donor off the hook for a pledge may in fact subject the donation to a gift tax

Because donors receive something of benefit from a gala – Caution

Only the funds to cover the cost of the dinner or other out of pocket costs



# Data Governance and Quality Control



- I. Sometimes hard to get the initial donor's information – the method is up to the Sponsor  
Fidelity says that only 3% of their donations are anonymous
- II. Take the time to review the documentation provided by the DAF to identify the donor  
Information may be limited  
You may need to do some 'sleuthing' to find the actual donor
- III. Donor Advised Funds are getting better at sharing  
Some Donor Advised Funds are not providing an electronic copy of the donors their gifts represent
- IV. **Check** to see if the Donor Advised Fund is already in your CRM  
Mark them so they don't receive your regular direct marketing solicitations
- V. **Check** to see if the initial donor is already in your CRM  
Mark them so they receive some of your direct marketing solicitations – don't forget about them

## Measuring the Impact of Donor Advised Funds

- ✓ How did donors give to you before the DAF
- ✓ How else are these donor's engaging with your organization
- ✓ What additional gifts are you receiving from them outside of DAFs
- ✓ What percentage of your organization's income is from DAFs



## The Relationship Shouldn't End With the Gift



### The **relationship** with the donors

Don't stop communicating with the donor

Include in direct marketing communications if that is where they originated

Include in newsletters, events, volunteer and educational communications

### The **relationship** with the Donor Advised Funds

Understand the value of all of the donations from each fund to your

organization – guide your donors who want to give through Donor Advised

Funds to Charitable Giving Funds that work best for you

## Donors Don't Always Understand



Ask for a tax receipt or assign as a pledge payment

It may be some time before the donation made to the donor advised fund is granted

The donor's guidance may be broad

While the donor guides the donation – the Donor Advised Fund has the final say

## Remember

- DAF's are an important and **growing** fundraising channel
- Acknowledge the donor for their gift and clearly communicate that it is from a DAF
- Track both the Charitable Fund and the donor correctly in your data environment
- Don't **end** the communication with the gift – the donor selected you for a reason



# Questions?

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