Tanager

Inspire. Empower. Heal.

STRATEGIC GIVING THROUGH DONOR ADVISED FUNDS

Donor advised funds (DAFs) are a simple, tax-smart way to give to your favorite charities. A DAF is a charitable investment account that lets you contribute cash and other appreciated assets while taking an immediate tax deduction on your donation. DAFs are sponsored by financial and commercial institutions, community organizations, and public charities that manage your money and donate to eligible charities on your behalf. The assets you contribute to the fund are irrevocable — you can't change your mind later. As a donor, you can decide how you want your contributions to be invested and how much and when you want to donate and recommend which charities receive grants. DAFs offer several tax advantages, including the tax deductibility of the initial contribution, and the opportunity to invest your contributions for potential tax-free growth over time and possibly making a bigger impact with your giving dollars. These funds are an easy way to donate to multiple charities, involve your family in philanthropy, and build a charitable legacy that supports your favorite causes for years to come.

HOW DONOR ADVISED FUNDS WORK

GIVE → INVEST → GRANT

GIVE
to your fund and receive a tax deduction

INVEST
your charitable assets

GRANT
to the causes you care about

1. Set up a donor advised fund
When you make an irrevocable contribution to your donor advised fund, you benefit from an immediate tax deduction. You can contribute a variety of assets, including cash, stock, and real estate. Some DAFs even accept illiquid assets.

2. Give when you want You decide when to recommend grants and how much to donate to the charities that are important to you. You can choose from any IRS-qualified public charity for grant recommendations. Another advantage is your donation can be public or anonymous to maintain your privacy.

3. Get tax-free investment growth
While you're deciding which charities to support, your invested DAF contributions have the potential to grow tax-free, increasing your giving power. DAF sponsors offer varying investment options, including advisor-managed accounts, giving you flexibility to design a strategy that fits your giving goals.

4. Make an impact
With a DAF strategy, you can watch your charitable dollars make a difference as the DAF grants support the causes closest to your heart.

CONSIDERATIONS FOR USING DONOR ADVISED FUNDS

POTENTIAL ADVANTAGES

- Contributions to the DAF are tax-deductible in the year they are made
- Avoid capital gains taxes when you donate appreciated investments and other assets held a year or longer
- Growth in the DAF account is tax-free, offering the potential to give more to your favorite public charities over time
- Make charitable giving a family tradition
- Give publicly or anonymously
- Easy to set up
- Minimal start-up costs
- Reduce or eliminate estate taxes
- Could reduce alternative minimum tax (AMT)

POTENTIAL LIMITATIONS

- Contributions are irrevocable — you can't change your mind later
- You must not receive any personal benefits from the grants
- Qualified Charitable Distributions (QCDs) from your IRA cannot be directed to a donor advised fund
- The DAF sponsor can only make grants to IRS recognized 501(c)(3) public charities
- You must itemize tax deductions to receive the tax deduction. For your records, make sure to get an Acknowledgment from your DAF when distributions are completed
- Minimum contribution requirements and fees usually apply

IS A DAF RIGHT FOR YOU?

Consider a donor advised fund if:

- You have charitable intentions.
- You hold appreciated assets subject to capital gains taxes.
- Your estate could be subject to taxes.
- You want an efficient, simple way to support causes that are important to you.
- You will experience a large "liquidity" event, like the sale of a business, and want to reduce taxation.
- You want to involve your family in philanthropy and leave a legacy of charitable giving for future generations.

HOW TO RECOMMEND A GRANT TO TANAGER

1. Log into your DAF account and choose the option to recommend a grant.

2. Search for or enter the following details:
   Legal Name: Tanager
   Tax ID (EIN): 42-0688079
   Address:
   2309 C Street SW,
   Cedar Rapids, IA 52404

   Phone: (319) 365-9164

Include any special instructions or note if the grant is in honor or memory of someone. Notify us so we can confirm and thank you properly.

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