



## Donor Advised Fund Procedures

### Getting Started: Forms and Initial Setup

Following is a summary of the step-by-step instructions for setting up your Donor Advised Fund (“DAF”) and its ongoing operation. Depending on the nature of the assets you contribute and your specific circumstances, these steps may vary. To get started, fill out and sign our [DAF application](#). Other than an asset transfer, this is the only step we require a donor to complete to set up a DAF.

#### Initial Setup of your Donor Advised Fund

*If you are working with a financial advisor:*

1. Your financial advisor will need to send a signed DAF application to National Charitable Endowment, along with the paperwork necessary to open a new investment account for a nonprofit corporation (including the financial advisor’s investment advisory agreement). National Charitable Endowment then completes, signs, and returns the investment paperwork. The new investment account is registered either as:  
**National Charitable Endowment, or**  
**National Charitable Endowment FBO “ABC Family Charitable Fund”** (for example).
2. After the new investment account has been created, the financial advisor will help the donor transfer assets (cash or securities) into it. This process is outlined in the [Contributions & Transfer Instructions Form](#). Once that transfer has occurred, your financial advisor will notify National Charitable Endowment. National Charitable Endowment will then have online access to the investment account (provided by your financial advisor).
3. Lastly, National Charitable Endowment will send you, the donor and/or your financial advisor, an initial packet of information that includes all you need to know to login and access your new DAF account and data via our client portal. We will include a tax receipt.

*If you are not working with a financial advisor:*

1. If you prefer to manage your DAF without a financial advisor and meet certain National Charitable Endowment parameters\*, simply fill out and send a signed DAF application to National Charitable Endowment. National Charitable Endowment works with you to create a new investment account is registered either as:  
**National Charitable Endowment, or**  
**National Charitable Endowment FBO “ABC Family Charitable Fund”** (for example). If you are not working with a financial advisor, but would like one, National Charitable Endowment is happy to help you identify a suitable partner.

*\*Donors may operate a DAF without a financial advisor if they meet certain National Charitable Endowment criteria. Contact National Charitable Endowment to learn more.*

2. After the new investment account has been created, National Charitable Endowment will help you transfer assets (cash or securities) into it.
3. Lastly, National Charitable Endowment will send you, the donor, an initial packet of information that includes all you need to know to login and access your data via our client portal. This welcome packet will include a tax receipt.



### **Ongoing Operation of your Donor Advised Fund**

1. You, the donor, or your financial advisor with discretionary investment authority, can discuss changes to your investment account with National Charitable Endowment.
2. National Charitable Endowment will coordinate with you or your advisor, as applicable, when the account is established to make arrangements to establish and fund your DAF's Liquidity Account. The Liquidity Account will hold 1% of the fund's balance in a cash or cash equivalents account, separate from your investment account and used towards National Charitable Endowment's administrative fee on a quarterly basis. Once a year National Charitable Endowment will bring the balance of the liquidity account back up to the 1% level.

### **Grant Distributions**

1. When a you wish to grant a distribution from your DAF account, simply submit your grant recommendations through the client portal or complete a [Grant Recommendation Form](#) and send it to [DonorCare@natcharitable.org](mailto:DonorCare@natcharitable.org). National Charitable Endowment will conduct standard due diligence on the charity to confirm it is a qualified charity in good standing with the IRS. Once approved, National Charitable Endowment will contact you or your financial advisor, as applicable, to request a distribution from the investment account equal to the amount to be granted.
2. You will be notified when National Charitable Endowment has prepared your quarterly statement of DAF activity and made it available on the client portal. Please let us know if you prefer to receive your statement by mail or e-mail.
3. National Charitable Endowment will endeavor to encourage all donors to recommend grants annually from their DAF. To that end, National Charitable Endowment will review individual accounts, and if an individual account has not made a distribution for a period of one year, the account will be deemed inactive and National Charitable Endowment will reach out to the donor and/or financial advisor to suggest making distributions from the account, and send notices reminding the Donor that DAFs are charitable entities intended to make regular distributions supporting charitable endeavors.

**All documentation can be emailed to [donorcare@natcharitable.org](mailto:donorcare@natcharitable.org)**