

Donor-advised funds: Donation warehouses or a democratic vehicle for philanthropy?

Excerpt of "Donor-advised funds: Donation warehouses or a democratic vehicle for philanthropy?" by Gabriel Hament

Source: Sarasota Herald Tribune

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In The News

A promotional graphic for Cumberland Advisors. On the left, the company logo is displayed in white text on a dark blue background, with the website address www.cumber.com below it. Underneath the logo is a small image of several newspapers and a tablet displaying news. To the right of the logo is a portrait of Gabriel Hament, a young man with short brown hair, wearing a dark suit jacket, a white shirt, and a yellow and blue striped tie. The entire graphic is set against a dark blue background.

The long-standing debate surrounding the lightly regulated world of donor-advised funds has been gaining traction on the pages of the Nonprofit Quarterly.

For those unfamiliar with them, donor-advised funds are a philanthropic vehicle housed at a public charity in which a private or corporate donor can make an irrevocable gift of cash, appreciated securities or hard assets like real estate and receive an immediate tax benefit.

The donor directs the funds' sponsor, frequently a community foundation, to make grants from the fund to individual nonprofits. DAF assets can be invested and grow tax-free. Some donor advised funds are structured to disburse their money

over a finite period of time, while others are designed to last indefinitely.

To help frame the discussion, some bullet points originally published by the Denver Post from Bruce DeBoskey of the DeBoskey Group consultancy on the history and growth of donor-advised funds are available at the link below.

After reading, we ask our readers: Is the goal of a donor-advised fund to provide perpetual support for charitable initiatives or is it a temporary pass-through vehicle that is to be spent down to zero, sooner rather than later?

Read the full article at the Sarasota Herald's website:
www.heraldtribune.com

Gabriel Hament is investment advisor representative to foundations and charitable accounts. Hament works closely with the management teams and boards of directors of nonprofit institutions to design investment allocations in alignment with organizations' mission and unique objectives. He is a native of Sarasota and serves as a member of the Sarasota County School District's Financial Advisory Committee, monitoring the District's investment accounts (\$50 million core portfolio). Contact him at feedback@cumber.com or (941) 926-6279.

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