

DONOR-ADVISED FUNDS

For our donors who wish to benefit Christian causes and still have some input as to potential changes, a Donor-Advised Fund is a wonderful vehicle. A minimum of \$1000 is needed to open an account.

A DAF typically states that at the end of every year the income is paid out to the original (or default) charities chosen by the donor(s). However, the donors reserve the right to advise the Foundation if they wish to change the beneficiaries or the percentages. The Foundation can then approve these suggestions provided that they fulfill the intent of the DAF. The Foundation has only two choices – to pay out the distributions to the “default” charities originally chosen or to the charities as suggested by the donors.

Additionally, donors can pass on that same right of advisement to their children or to other individuals in the future. Some of us use a DAF to try to keep our children focused on Christian ministries by providing a vehicle for them to give dollars away to the ministries of their choice.

To discuss DAF's further, please call the Arkansas Baptist Foundation at (800) 798-0969 outside of Little Rock or (501) 376-0732 in the Little Rock Area. To further evaluate the form and policies to establish a DAF, please click on the *DAF Form* link on the website. For fees related to the account, please see the Foundation's Disclosure statement found also through the *DAF Form* link.

Note: The Foundation reserves the right to accept or decline any account.

EXAMPLE OF A DAF

Year 1 – John & Mary fund a DAF with \$100,000 with income to be paid (unless otherwise requested and approved) equally to their church, Baptist college, and Baptist Children's Homes.

Year 2 – John & Mary request that ½ of the income be paid to their Baptist alma mater each year for the next 10 years to fund a Scholarship Fund in their name, and the other ½ be paid to their church and Children's Homes. Request approved.

Year 15 – John & Mary's only son requests that all the income be paid to his church's building fund for the next three years. (John & Mary have died. Their DAF provides that their son can make these requests.) Request approved.

Year 22 – John & Mary's only son requests that all the income be paid to the Society for the Advancement of Gambling. Request denied (funds exist for Christian causes). Paid to default charities instead.

Year 51 – John, Mary, & the son have all died. DAF states that income is paid out to the church, Baptist college, and Baptist Children's Homes as originally established.

And on it goes until the Lord returns . . .