

# Long Live Your Values

*Together, we are creating brighter futures  
and moving our community forward.*





## ***Donor Advised Funds***

***Support the cause that matters most to you.***

A *donor advised fund (DAF)* has become a popular vehicle for charitable giving due to the favorable tax benefits they can provide and their ability to centralize donors' philanthropic giving.

This information is intended to answer some of the frequently asked questions about donor advised funds and inform you about important rules and restrictions related to YWCA Minneapolis accepting a gift from a DAF.

A donor advised fund is a named charitable giving account you can set up under a public charity, most often a sponsoring financial or community institution such as Schwab Charitable, Fidelity Charitable, Women's Foundation of Minnesota or Minneapolis Foundation, among others. To set up a DAF, you make an irrevocable gift of cash or other assets to the financial or community institution, receive a tax deduction and serve as a "donor-adviser" to make non-binding grant recommendations to benefit the charities you care about.

## MAKE A GIFT

Giving through your DAF is easy! Simply contact your sponsoring financial or community institution to recommend a grant to YWCA Minneapolis (or any other charity).

We are happy to recognize your donations to YWCA Minneapolis, whether made via a DAF or other channels, in our Annual Report.

## Pledges

When a DAF is established, the donor may recommend, but not legally direct, future charitable grants. As the donor has given up legal ownership of the fund, they are prohibited from making a legally binding pledge from their DAF to the charity they want to support. In addition, donors may not fulfill existing pledges through their DAF. YWCA Minneapolis recommends that donors notify us of their intent to recommend a grant, as it assists us with future planning. Suggested wording is: *"I intend to recommend a grant of [amount] from a donor advised fund (DAF), and this notification is not a legally binding commitment."*

## Donor Benefits

Donating through a DAF limits the donor benefits you may receive. Because a full tax deduction is received at the time of establishing the DAF, donors may only receive "incidental" benefits, or benefits which do not carry a fair market value. YWCA Minneapolis' Organizational Advancement team can share which donor benefits you may receive when you donate through a DAF.

## Special Event Tickets and Donations

Donors wishing to support YWCA Minneapolis through special events such as Circle of Women or It's Time to Talk: Forums on Race™ should be aware of the following:

Event tickets and tables, as they have substantial fair market value, may not be purchased through a DAF. An exception to this is when the donor will not attend the event and the entire table or seat is to be donated back to YWCA Minneapolis.

Event donations through your DAF are welcomed. Your event donations, including raise-a-paddle donations can be made through a DAF. Notify YWCA Minneapolis and contact your fund's sponsoring organization to clarify any required language to recommend the grant.





## RESTRICTIONS

The U.S. Pension Protection Act of 2006 establishes certain restrictions applying to donor advised funds. It's important to be aware of these to make sure a donation through a DAF meets your needs and charitable intent. The restrictions that most often impact donors involve pledges (new and existing), providing multiyear support and accepting donor benefits.

## RESOURCES

*U.S. Pension Protection Act of 2006, Sec. 1231. Excise taxes relating to donor advised funds.*

## FREQUENTLY ASKED QUESTIONS

**Q:** *Can I reimburse YWCA Minneapolis for the value of donor benefits or event tickets in order to receive those services?*

**A:** No. Due to IRS restrictions, reimbursing a charity to receive benefits and services is not permitted.

**Q:** *Are there penalties for receiving more-than-incidental benefits for a DAF gift?*

**A:** Yes. The U.S. Pension Protection Act of 2006 imposes an excise tax on any donor, donor-adviser or family member who recommends a grant that results in "more than incidental benefit." The sponsoring agency (such as The Women's Foundation of Minnesota or The Minneapolis Foundation) can be penalized as well.

**Q:** *Can a DAF be part of a planned gift?*

**A:** Yes. When establishing a DAF, a qualified charity such as YWCA Minneapolis may be recommended to receive any remaining balance in the DAF upon the death of the donor.





## ***YWCA Minneapolis Planned Giving***

***Make your legacy the work of promoting peace, justice, freedom and dignity for all.***

Planned gifts are formal agreements for the transfer of assets by donors to YWCA Minneapolis.

Planned gifts may provide income and estate tax advantages to the donor, consistent with current governmental regulations. The extent of the benefits will depend on the manner in which your gift is made.



## COMMON TYPES OF PLANNED GIFTS:

### BEQUEST

A legacy gift is usually made through a gifting clause in one's estate plan. Bequests can be created through:



### WILL OR TRUST

- General Bequest is a gift of a stated sum or percentage of money.
- Residuary Bequest is a gift of the remainder of your estate after all other bequests, debts and taxes have been paid.
- Contingent Bequest is made on the condition that a certain event must occur before distribution to the beneficiary.

### CHARITABLE GIFT ANNUITIES

A contract between you and YWCA Minneapolis. In exchange for cash or securities, YWCA Minneapolis will pay you and/or another beneficiary a fixed lifetime income. Your rate depends on your age; the older you are, the higher the rate.

*You will receive a charitable income tax deduction in the year of your gift, and a portion of your income may be tax-free.*



### QUALIFIED RETIREMENT PLAN ASSETS

Individual Retirement Account (IRA), 401(k), 403(b) and other retirement assets are subject to significant taxes if left to family members at one's death. If left to YWCA Minneapolis, we can withdraw pretax monies without paying income tax, thus maximizing your gift. Gifting qualified retirement assets to YWCA Minneapolis may also reduce the size of your taxable estate.

*Options include:*

- Making YWCA Minneapolis a 100 percent beneficiary of a non-Roth account.
- Naming YWCA Minneapolis as a beneficiary of a certain percentage of the account, leaving the rest for individual beneficiaries.
- Specifying YWCA Minneapolis as a contingent beneficiary so that if the primary beneficiary disclaims, the funds will go to YWCA Minneapolis.



### LIFE INSURANCE

A gift of life insurance is a simple way to make a legacy gift. Name YWCA Minneapolis as a partial, full or remainder beneficiary on your policy.



# Why Give to YWCA Minneapolis?

*Your gift helps advance our mission of eliminating racism  
and empowering women and girls.*

YWCA Minneapolis is a trusted social justice organization with a 125+ year history of advocacy for women and children. More than 30,000 people in our community are served every year by YWCA Minneapolis through award-winning programs, classes and workshops.

## YWCA Minneapolis programs:

Advance diversity and inclusion — Further race and gender equity  
Create leaders — Improve health and wellness — Welcome everybody

*Thank you for considering a donation to YWCA Minneapolis.*

We encourage you to discuss this important process with your loved ones and financial and legal advisors.

If you would like to learn more about how you can support YWCA Minneapolis through a planned gift or explore the best giving opportunity for you and your family, our experienced team is ready to have a conversation.

## PLEASE CONTACT:

Director of Individual Giving  
612-215-4166

[advancement@ywcamppls.org](mailto:advancement@ywcamppls.org)

YWCA Minneapolis  
Tax ID # 41-0693891



---

**Organizational Advancement** — YWCA Minneapolis, 1130 Nicollet Mall, Mpls., MN 55403  
Please visit us online at [ywcamppls.org/donor](http://ywcamppls.org/donor)