

# CHARITABLE GIVING THROUGH DONOR-ADVISED FUNDS

## WHY CONTRIBUTE TO A DONOR-ADVISED FUND?

Donor-advised funds (DAFs) offered by American Endowment Foundation give you the opportunity to:

- › Help your clients efficiently achieve their philanthropic objectives
- › Manage the assets in the donor-advised fund and custody those assets on your brokerage platform
- › Potentially consolidate more client assets with your firm and help you grow your investment management revenue
- › Establish new relationships with family members involved in grant recommendation

## POTENTIAL CANDIDATES FOR DONOR-ADVISED FUNDS

- › Those who currently give to charity
- › Individuals selling a business
- › People who have inherited assets or are going through a wealth transfer phase
- › Grandparents
- › Institutional clients

Donor-advised funds are charitable-giving vehicles set up under the tax umbrella of a sponsoring public charity. An individual, family or corporation makes an irrevocable, tax-deductible contribution of personal assets to the sponsoring charity and, at any time thereafter, can recommend grant distributions to qualified charitable organizations.

### A Flexible Approach to Giving

Pershing LLC (Pershing) provides access to donor-advised funds to you and your clients through the American Endowment Foundation (AEF). AEF acts as a neutral platform, giving your clients the flexibility to contribute a wide range of assets and recommend you as the manager of their charitable assets.

Through donor-advised funds, your clients gain many of the benefits of a private foundation without the startup and ongoing administrative costs. In addition, your clients can:

- › Receive a tax deduction for the allowable amount of the value of the donated assets on the date that they are transferred to the fund.<sup>1</sup>
- › Establish a legacy of charitable giving that perpetuates their family name and values.
- › Involve family members in recommending grants and encourage ongoing commitment to charitable endeavors.

### Getting Started

Establishing a fund with AEF is simple.<sup>2</sup> The entire process is outlined in the following steps:

- › A program description and application are available at [aefonline.org](http://aefonline.org), or contact AEF at (888) 440-4233.
- › Work with your client to complete the simple application, entering your firm information in the investments section.
- › Once complete, send the application to AEF, along with new account forms. AEF will complete your new account forms and return them to you.
- › The Pershing account will be opened in the name of AEF for the benefit of the donor's fund. AEF is located in Ohio, so you may need to be licensed in Ohio or provide Ohio securities authorities a copy of the Form ADV and any accompanying amendments you have filed (notice file) with the Securities and Exchange Commission.
- › Once the donated assets have been received by AEF, it will send a letter to your client, along with information on how to view the account and submit grant recommendations using AEF's Donor Central platform.

**To learn more about donor-advised funds, please visit [pershing.com](http://pershing.com) or contact your Relationship Manager.**

<sup>1</sup>This document is not intended to provide tax advisory services. We suggest that you consult your tax professional to discuss the appropriate federal, foreign, state and local tax treatment of your transactions.

<sup>2</sup>Account opening information is provided by the American Endowment Foundation. For more information, visit [aefonline.org](http://aefonline.org).

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