


*Wheaton College created its Donor Advised Fund to partner with donors who share the College's vision and mission.* The Fund provides opportunities to support Wheaton, as well as other charitable organizations, with a single, convenient contribution. It also allows donors to create a charitable "endowment" which provides continued support to these charities in an efficient, cost-effective manner.

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Thank you for considering the Wheaton College Donor Advised Fund. We are here to help you achieve your charitable gift planning goals.



# What are the advantages of giving to Wheaton's Donor Advised Fund?

## **ESTABLISH ONE-STOP GIVING**

The Donor Advised Fund provides a convenient, cost-effective opportunity for charitable giving. This is particularly true for the gifting of appreciated assets, which would otherwise be difficult or inconvenient to split between your favorite charities. Give now; recommend charities later, and receive just one receipt for income tax purposes.

## **LEAVE A FAMILY CHARITABLE ENDOWMENT**

Through the Donor Advised Fund, you can create a charitable endowment, which will annually support qualified charities during your life and after your death. Your ability to recommend distributions can be passed on to family members so that they too can share in the joy of charitable giving.

## **SIMPLIFY YOUR ESTATE PLANNING BY LEAVING ONE SIMPLE BEQUEST**

Make a simple designation of a Wheaton College Donor Advised Fund in your estate planning, and then let Wheaton do the work of distributing to your favorite ministries at your death according to your prior recommendations.

## **FINANCIAL STRENGTH**

Wheaton's long history of financial strength and consistent investment performance make it a wise choice for your charitable dollars. Long-term Donor Advised Fund gifts are invested by Wheaton College Trust Company in the same well-managed investment pools as Wheaton's own endowment.

## **PARTNER WITH WHEATON**

The Donor Advised Fund allows you to participate in the ministry of shaping students into whole and effective servants of Christ. You can rest assured that the charitable priorities of Wheaton College align with your own, an important consideration when recommending gifts.

# How does the Donor Advised Fund work?

- An account is established in your name when a gift is made to the Fund.
- The assets given (cash, appreciated securities, or real estate) are held by the Fund and are managed and invested by the College.
- You recommend the charities to whom gifts are to be made.
- Your recommendations are reviewed by the Fund's Selection Committee. When recommendations are approved, the gifts are made directly from your account within the DAF to the selected charities.

*The following pages will describe three distinct types of Donor Advised Funds, each with unique charitable objectives and benefits. If you have a complex giving plan, Wheaton's Donor Advised Fund may be able to facilitate a less complicated path to reach your charitable goals.*



*Donor Advised Fund*  
**SHORT-TERM ACCOUNT**

*Give now, get a tax deduction for the entire amount; recommend charities later.*

A short-term account is established when gifts are to be distributed within a relatively short period of time (less than three years). This type of account is ideal for year-end gifts or gifts of assets, such as securities or real estate, that may be difficult to divide among multiple charities.

**SCENARIO** John would like to sell his highly appreciated shares of stock. Realizing that selling them outright would incur significant capital gains tax liability, John decides to donate the shares to charity. It is nearing the end of the calendar year, and John is not sure which charities and ministries he wants to benefit. Additionally, he knows that some charitable organizations are not equipped to easily process a gift of stock and that it may be difficult to divide and distribute shares to multiple charities. To easily donate the stock and receive an immediate income tax deduction while postponing the ultimate decision of which charities to benefit, John contributes to a short-term Wheaton Donor Advised Fund. Now he has months to consider his options and direct charitable distributions from his DAF.

*Donor Advised Fund*  
**ENDOWMENT ACCOUNT**

*Maintain the mission of your family charitable legacy; let Wheaton maintain the rest.*

An Endowment account provides a donor with a long-term pool of funds which can grow over time and provide a consistent source of annual charitable distributions. This type of account is also attractive to donors who have private foundations but find the management burdensome. A DAF can be an alternative to starting a private foundation or to managing an existing private foundation.

**SCENARIO** Charles and Mary have consistently given to Christian ministries for decades. They own appreciated securities and want to create a charitable endowment to continue supporting the charities they love. They also want the flexibility to provide larger contributions as charities have special need. They want to involve family in charitable decisions to instill a generous spirit and considered creating a private foundation but found the tax rules and costs burdensome. Charles and Mary decide to contribute the securities to a Wheaton College DAF and may continue contributing to further build up the fund. They receive a charitable tax receipt for each contribution and recommend annual distributions. The DAF is invested in Wheaton College Trust Company's investment funds. During their lives, the DAF allows them to give consistently, and it also gives them the comfort of knowing their favorite charities will continue to benefit after their deaths.

PRIVATE FOUNDATION	WHEATON COLLEGE DONOR ADVISED FUND
Foundation must pay legal and accounting start-up costs.	Donor Advised Fund does not charge start-up costs.
Foundation must prepare tax returns and manage assets, accounting, and records.	All administrative, investment, record-keeping, and tax details are managed by Wheaton College.
Cash gifts are tax-deductible up to 30% of donor's adjusted gross income.	Cash gifts are tax-deductible up to 60% of donor's adjusted gross income.
Gifts of marketable securities (held over one year) are tax-deductible up to 20% of donor's adjusted gross income.	Gifts of marketable securities (held over one year) are tax-deductible up to 30% of donor's adjusted gross income.
Tax deductions for gifts of real estate or closely held stock must be reduced by amount of capital gains.	Gifts of real estate or closely held stock (held over one year) are deductible at full fair market value.
Investment income is taxed at 1% - 2% annually.	Investment income is not taxed.
Foundation must research actions and tax-exempt status of charitable recipients.	Wheaton College researches the actions and tax-exempt status of charitable recipients.



## *Donor Advised Fund* **ESTATE ACCOUNT**

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*Simplify your charitable estate planning.  
Leave your charitable bequest to Wheaton College.  
Let Wheaton take care of the details.*

Mature donors consider giving strategically through their estate plans. They prepare their estates so that upon their passing, part of the estate is reserved for charities. Instead of amending a Will or Trust throughout their lifetime, which many find inconvenient and expensive, a donor can set up one repository for all charitable bequests through the estate Donor Advised Fund. Amounts distributed to a DAF from a donor's estate can be paid to charities previously recommended by the donor. In many cases, these donors also want their surviving family members to participate in directing which charities receive those gifts. In that event, the Estate Account can continue as an Endowment Account permitting the donor's family to recommend annual distributions to charities.

**SCENARIO** Joe's estate plan consists of a simple Will. Each year he finds himself back at his attorney's office to tinker with the charitable distribution clause. For instance, when his church merged with another church, he had to revise his Will to reflect that change. The costs of these changes added up. Finally, Joe decided to name his DAF as the recipient of the charitable gifts in his Will. Then, when he wanted to update the charities receiving his gifts, he simply submitted to Wheaton recommendations which will be effective at his death. Joe avoided the hassle and costs of repeated trips to revise his Will and preserved flexibility in his giving recommendations through his DAF.



## Testimonial

### TOM AND LAUREL VERHAGE

#### *After sending their two sons to Wheaton College, Tom and Laurel set up a Wheaton Donor Advised Fund.*

“Wheaton offers a very high-quality education, combined with an uncompromising Christian worldview. Students are encouraged to grow in their faith through their daily interaction with dedicated professors, challenging chapel messages, and peers who help to hold each other accountable to Biblical principles. Wheaton encourages students to live out their faith through active participation in a multitude of Christian ministries.”

“The Wheaton Donor Advised Fund offers a convenient and efficient way to contribute to Christian-based organizations. We were able to contribute appreciated securities to our Wheaton DAF, rather than dealing with the administrative hassle of contributing securities to many different charitable organizations, some of which would not accept appreciated securities. Now that our Wheaton Donor Advised Fund is set up, we can select the charitable organizations to which we want to contribute and we can authorize the payment online, which takes less time than writing a check and considerably less time than making individual contributions of appreciated securities. The funds we contributed to our DAF are now being professionally managed by Wheaton advisors, meaning it’s an investment that we no longer need to spend time managing. And the tax advantage of contributing appreciated securities allows us to contribute more to our designated charities and less to the government in the form of unnecessary taxes. Finally, our Wheaton Donor Advised Fund is a means to obtain the benefits of advanced giving without the need to pay legal and trust fees that would be charged by commercial organizations.”

## Donor Advised Fund

### OTHER IMPORTANT INFORMATION

#### How will Wheaton College administer and invest the Donor Advised Fund assets?

Short-term accounts will generally be invested in a money market fund pending distribution.

Long-term accounts are invested in Wheaton College Trust Company’s common trust funds. You may make suggestions as to the account asset allocation, but Wheaton College must retain complete legal control over the investments of the Fund.

- The Trust Company is a wholly-owned subsidiary of Wheaton College and is a national bank.
- The common trust funds, composed of a Stock Fund and a Bond Fund, allow the Trust Company to pool assets and invest them together to maximize economies of scale.
- The assets of the common trust funds are managed by external investment advisors under the active supervision of the Directors and Officers of the Trust Company.
- Much of the College’s endowment is invested in these same common trust funds.

#### What are Wheaton’s requirements for a Donor Advised Fund?

- Annual charitable distributions must equal at least 5% of DAF assets as determined at the beginning of each calendar year.
- Wheaton College legally owns all assets in the DAF.
- Distributions from the DAF cannot satisfy legal obligations or provide a personal benefit.
- Distributions from the DAF must be to organizations whose general mission or values are not inconsistent with those of the College.

ACCOUNT REQUIREMENTS			
Account Type	Minimum Initial Contribution	Value of Account Funds	Amount/Percentage of Total Value to Wheaton College*
Short-term	\$5,000	\$5,000-\$1,000,000	Greater of \$5,000 or 25%
		\$1,000,000+	10%
Endowment or Estate	\$25,000	\$25,000-\$1,000,000	25%
		\$1,000,000+	10%
<p>*Total annual distributions must equal at least 5% of the value of the fund. The Wheaton College percentage of the DAF’s total value will be applied to each annual distribution.</p>			

For a complete list of policies and guidelines, as well as the fee schedule, please see the supplemental material at the back of this booklet.

If you have questions or would like further information regarding the Wheaton College Donor Advised Fund, please contact our Gift Planning team or your Regional Director of Development. We would be happy to speak with you.

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