

Donor Advised Funds

A Donor Advised Fund (DAF) is a vehicle that provides a simple, flexible, efficient way to manage your charitable giving. You may ensure your charitable intent to support a self-selected BARC unit or activity (e.g., the U.S. Fungus Collection, honey bee research, summer intern or other activity) by establishing provisions within your will or trust for a DAF to be managed by FAR-B. Your estate would be eligible to deduct the full amount of your gift, thus freeing your heirs from estate tax on your gift.

An attractive feature is that you may establish a DAF during your lifetime with an initial donation of \$5,000 or more, and subsequently make unlimited additional donations of \$100 or more. A donation would be tax deductible for the tax-year in which it is made. This feature offers the opportunity to begin financial support for your selected activity or unit without delay. Still additional donations to the DAF may be made by a bequest established within your will or trust.

You may use or alter the following sample language to establish a DAF bequest in your will or trust, or to contribute to a previously established DAF. The language is slightly different in important detail from that suggested sample for a general bequest.

Percentage:

"I give, devise and bequeath to the Friends of Agricultural Research-Beltsville, Inc., P.O. Box 1061, Beltsville, MD 20704-1061, a non-profit organization incorporated under the laws of Maryland, ____% of my estate to establish a (or augment my previously established) Donor Advised Fund for the _____ (e.g., the U.S. Fungus Collection or other unit or activity of your choice) at the Henry A. Wallace Beltsville Agricultural Research Center, Beltsville, Maryland 20705."

Specific:

"I give, devise and bequeath to the Friends of Agricultural Research-Beltsville, Inc., P.O. Box 1061, Beltsville, MD 20704-1061, a non-profit organization incorporated under the laws of Maryland,

(Choose one)

1) the sum of \$_____ to establish (or augment my previously established) a Donor Advised Fund for the _____ (e.g., the U.S. Fungus Collection or other unit or activity of your choice) at the Henry A. Wallace Beltsville Agricultural Research Center 20705."

2) _____ shares of stock in _____ Company to establish (or augment my previously established) a Donor Advised Fund for the _____ (e.g., the U.S. Fungus Collection or other unit or activity of your choice) at the Henry A. Wallace Beltsville Agricultural Research Center 20705."

Fund Types FAR-B May Accept

FAR-B may accept funds in the form of cash, marketable securities, or life insurance policies. If a donor so wishes, a DAF may be established with provisions for other individuals, family members, or groups to donate to the fund in amounts of \$100 or more. Such donations would be tax deductible to the donor.

Name your Donor Advised Fund and Provide a Short Purpose Statement

Example names might include: the *John Q. Public Fund*, the *U.S. National Fungus Collections Fund*, etc. Be as creative as you wish.

In a concise statement, briefly state the purpose or intent of your DAF. Examples: support summer interns, expand X, Y efforts, a particular BARC unit or activity, the U.S. National Fungus Collection, etc.

Management and Distribution of Donor Advised Funds

FAR-B will invest the DAF in financial instruments insured by the Federal Deposit Insurance Corporation (FDIC), including Money Market Accounts, Certificates of Deposit, or other FDIC-covered financial instruments. Allocation among these instruments will be consistent with market interest conditions and liquidity requirements to cover fund distributions to donor-designated BARC units or activities. With advanced approval of the FAR-B Board of Directors, FAR-B may hold donor advised funds held in company stock or stock fund of the donor's choice.

FAR-B will issue a first payment of funds to the donor-designated BARC unit or activity as soon as practical after a DAF becomes operational. Thereafter, FAR-B will issue payments annually during October. The annual payment amount may be as stipulated by the donor **or** 5% of the fund balance on December 31 of the previous year, whichever is greater. This distribution schedule provides opportunity for donor-designated units or activities to plan efficient use of the DAF.

A transmittal letter accompanying payment checks FAR-B will send to the administrator of the specific unit and will specify, "Use of these funds is unrestricted". Checks will be payable to the "Agricultural Research Service" and will be sent by U.S. mail. The Director of BARC will receive copies of transmittal letters.

FAR-B will ask recipients of a DAF to submit brief annual reports describing progress and use of funds. Annual reports, submitted through the BARC Area Director, will be due by October 31 of each operating year. A summary final report will be due by October 31 after the entire DAF is distributed.

FAR-B Support Fee

FAR-B will assess a modest support fee to cover the cost of administering the DAF and to further FAR-B's overall mission to support and promote research, educational, and outreach programs at BARC. A support fee of 1% of the donor advised fund will be assessed in January of each year, based on the fund balance on December 31 of the previous year.

Precautionary note: FAR-B cannot offer legal, financial, or tax advice. If you are considering a bequest or DAF with FAR-B, please consult with your legal, financial, and tax advisors before taking a final decision.