Help make your giving easier and more enjoyable

Although private foundations are powerful giving vehicles, they can be costly and time consuming to maintain. Donor-advised funds are increasingly being used as an alternative to private foundations. They offer all the same benefits of charitable giving with easier ongoing management, improved tax deductions, increased grant flexibility, and anonymity at a lower cost than foundations.

Benefits of a donor-advised fund include

- Ease of giving: no separate tax returns, required payouts, required board meetings
- Immediate tax deduction on contributions, and the flexibility to support charities over time
- Ability to contribute certain assets beyond cash equivalents and publicly traded appreciated securities
- Option to remain anonymous on grants
- Opportunity for an advisor to actively manage charitable assets
- A charitable partner to manage and steward your charitable legacy

1. Private Foundation Closure
   Your private foundation board must review its governing documents (and applicable state laws) to determine whether the desired dissolution is permissible and what is required.

2. Remaining Obligations
   If your private foundation has any outstanding payments such as taxes, grants or fees, these must be paid before transferring assets to a donor-advised fund. A reserve must be created for any additional anticipated expenses. Once assets are transferred to a donor-advised fund account, they can be only granted to public charities.

3. New Fund Creation
   You can establish a donor-advised fund by working with staff to complete a fund agreement and fund form to name the fund, designate current advisors and advisory structure, recommend investment options and create a legacy plan.

4. Asset Transfer
   Because CFT is a public charity, transferring assets to the newly created fund is similar to making a grant from the private foundation. We can accept a variety of assets including: cash, stock, mutual funds, real estate, artwork, and other tangible personal property. You will need to work with CFT staff to determine the necessary due diligence for transferring illiquid assets.

5. Final Paperwork
   When the asset transfer is complete, your private foundation must make necessary filings in the state where it was created before it can be dissolved as well as with the IRS, including final IRS Form 990-PF.

For more information please contact donorrelations@cftexas.org