

DAFs 101: Maximizing the Impact of Donor Advised Funds

Strategies to enhance charitable giving outcomes



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Introductions



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Agenda

Community Foundation Week: The role of CFNOVA and our peers in supporting local philanthropy.

DAF Basics: Clear explanation of how DAFs work and why they're powerful tools for charitable giving.

DAF Limitations: What you can and can't do with your DAF.

Smart Strategies: Examples like bunching donations and donating appreciated assets.

Legislation Update: What the "One Big Beautiful Bill" means for DAF-holders.

Making your DAF work for you: Tips for simplifying tax season and planning future giving.

Donor success stories

Donor Portal overview

Q&A

Together, we can
make more...
...good possible.



milestone markers

more than \$100 million in
managed Community Assets
since our founding in 1978.

\$10 million per year in
cumulative grant-making.

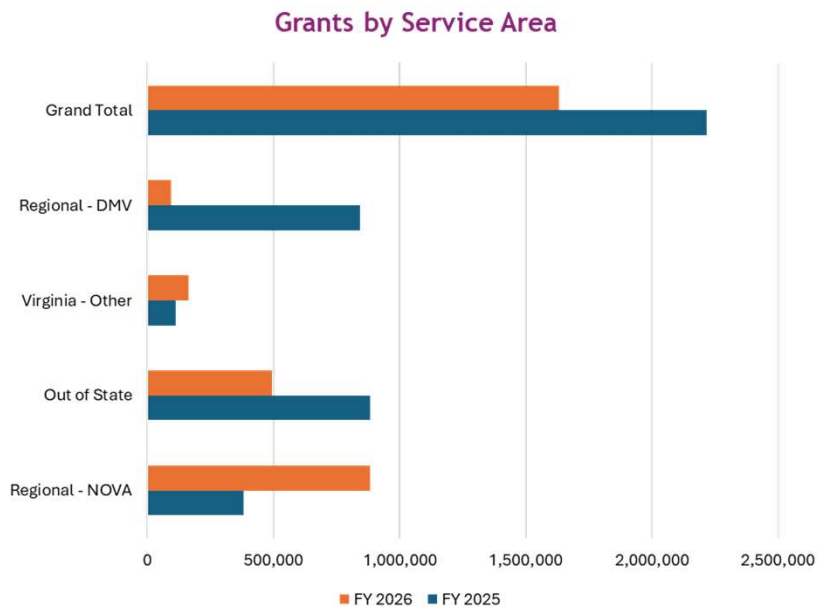
2024-2025 at a glance **FY25 by numbers**

Asset Base: \$118,701,726

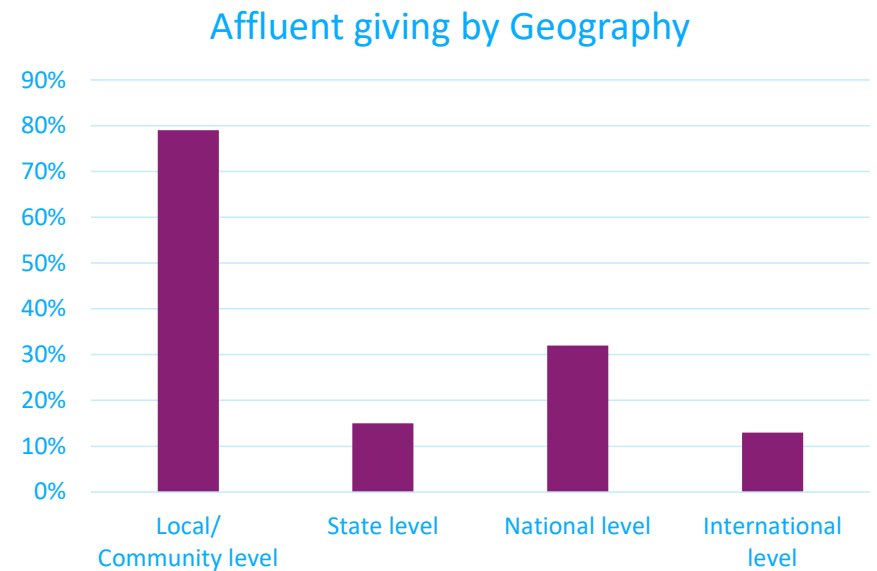
Contributors: 1,942

Donor Funds: 271

Give Local



Source: CFNOVA, July – September 2025 Quarterly Report



Source: 2025 Bank of America Study of Philanthropy

Community foundations are on the front lines of local impact, responding to urgent needs in real time. This year-end giving season, make a difference where it matters most — give local.



DAF Basics: What Are Donor Advised Funds (DAFs)?

Definition and Purpose

DAFs are charitable accounts allowing donors to contribute assets and receive a charitable deduction now, while planning and recommending grants over a longer period of time.

Benefits of DAFs

They offer tax efficiency, flexibility, ease of management, and donor anonymity in giving.

Asset Contributions

Donors can contribute cash, appreciated assets, real estate, business interests, and cryptocurrency to DAFs.

Management and Impact

CFNOVA manages investments and grant distributions, enabling strategic giving.

DAF Limitations



Deduction Limits and Carry Forward

Cash donations are deductible up to 60% of Adjusted Gross Income (AGI); other assets up to 30%, with a five-year carry forward option.



Irrevocability

DAF contributions are irrevocable



Restrictions – DAFs Cannot:

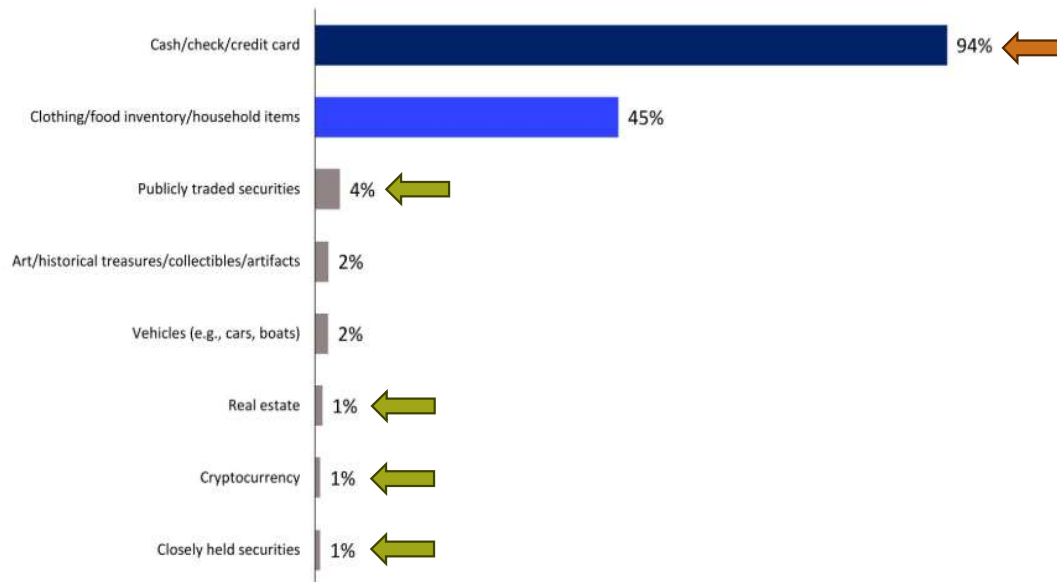
- × Fulfill legal pledges
- × Receive IRA Qualified Charitable Distributions (QCDs).
- × Pay for tickets or sponsorships
- × Pay membership dues

Smart Strategies: Growing and Using Your DAF

GIVING VEHICLES

Types of assets donated

How affluent donors give



Source: 2025 Bank of America Study of Philanthropy

Bunching Donations

Combine multiple years of donations in one contribution to maximize tax deductions and surpass itemization thresholds.

Investing DAF Assets

Assets in your DAF grow tax-free, increasing the potential impact of future charitable gifts.

Donating Appreciated Assets

Make gifts of appreciated stock or real estate to help reduce capital gains taxes and enhance the gift's value to charity.

Engaging Family in Philanthropy

Involve family members in grantmaking to promote multi-generational giving and strengthen legacy planning.

Appointing Successors

Simplify succession planning by appointing advisors to your DAF.

This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for tax, legal, or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any transaction.

Legislation Update: One Big Beautiful Bill – What DAF-Holders Should Know



1. Charitable Deduction Cap for High Earners

Starting **January 1, 2026**, taxpayers in the **37% federal income tax bracket** will see the **value of their charitable deductions capped at 35%**.

•**Action:** Consider **front-loading donations in 2025** to lock in the full 37% deduction rate.

2. New Deduction Floor for Itemizers

Beginning in 2026, **itemized charitable deductions** will only apply if your total donations **exceed 0.5% of your Adjusted Gross Income (AGI)**.

•**Impact:** Smaller donations may no longer be deductible unless they surpass this threshold.

•**Action:** Use **gift bunching strategies** or donate appreciated assets to exceed the floor.

4. DAF Strategy Timing Is Critical

2025 is the **last full year** to maximize current deduction limits before the OBBBA changes take effect.

•**Action:** Contribute to your DAF **before year-end 2025** to capture full deduction values.

5. AGI Limits and Planning Opportunities

The **60% of AGI limit** for cash gifts to public charities is retained.

•**Action:** Plan giving to stay within AGI limits and consider **non-cash assets** like stock or real estate for tax-efficient contributions.

Making your DAF work for you, now and post-2026

- **Accelerate Contributions before 2026**
 - DAF holders who want to maximize their tax deductions should consider front-loading contributions in 2025 to lock in current rules
- **Strategic Timing of Contributions to Maximize Tax Benefits**
 - Time contributions to your DAF around business sales or windfalls to enhance tax efficiency and maximize giving impact.
 - Contribute to DAFs during high-income years to reduce taxable income and overall tax liability.
 - Donate appreciated assets to help reduce capital gains taxes
 - Set up monthly recurring contributions through your bank or credit card—monthly contribution will add up over time!
- **Simplified Recordkeeping via the CFNOVA Donor Portal**
 - Funnel all of your charitable giving through your DAF – giving to your alma mater, your friend's charitable marathon, your child's PTA, the local food pantry, and annual strategic grant-making
 - Log into the Donor Portal to access reports on your charitable contributions and grant-making receipts in 1 place, streamlining tax filing and recordkeeping.
- **Grow your Assets**
 - Invest through CFNOVA's pooled investment fund – grow your assets and take advantage of our low negotiated investment rate

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Donor Success Story

“What drew me to the Community Foundation was the personalized services and their deep commitment to Northern Virginia...”

I enjoy giving because it makes a difference. ”

Linda Carr, pictured with husband Clarence James, Donor Advised Fund holders of the Carr-James Community Service Fund



Donor Success Story

“I established [my] Fund in memory of my wife, Yolonda Pajot, who passed away in May 2019 after a brave battle with ovarian cancer . . .

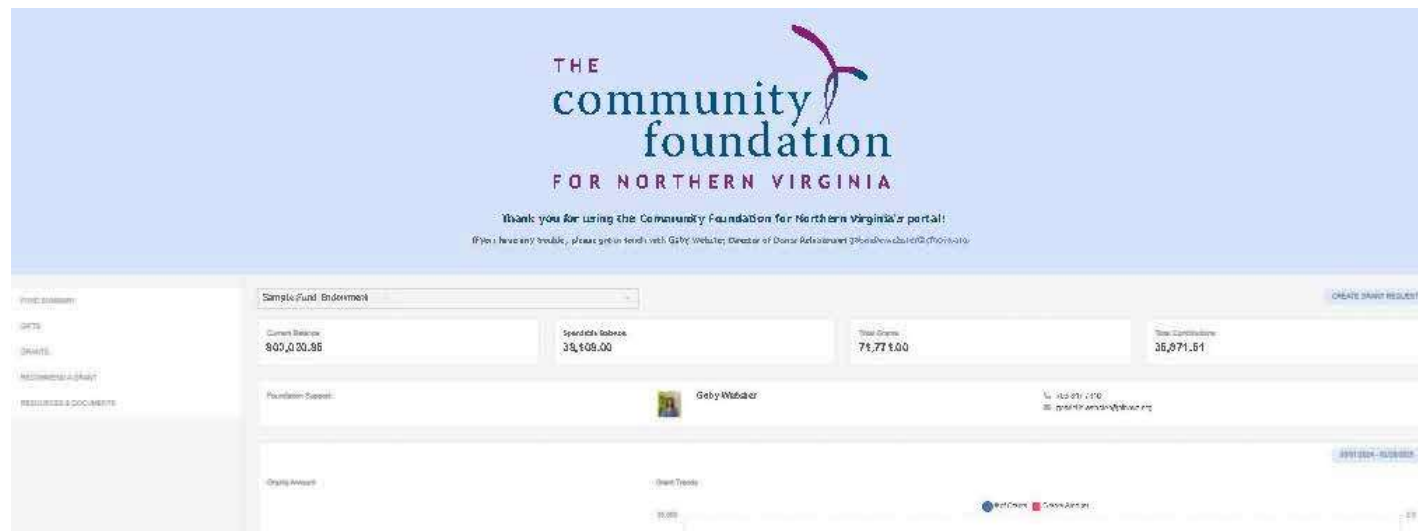
The goal was to set up the fund but also not be constrained with all the working details of running a foundation like managing a Board, working with financial auditors, etc. It became clear that working with the Community Foundation for Northern Virginia was the pathway to achieving my goals. ”



Jean-Louis Pajot visit to Inova Schar in June 2021, with Amy Richards, Assistant Vice President of Philanthropy, Inova Schar Cancer, Inova Women's Services, Inova Center for Personalized Health, and Kristen Bentivegna, Director of Philanthropy, Inova Life with Cancer.

Donor Portal Homepage

The **Donor Portal** is the Community Foundation for Northern Virginia's online platform to manage your donor-established fund. From here you can conveniently view your fund balances, download fund statements, make grant recommendations, track your giving history, set up recurring grants, and more.





Q&A and Closing Thoughts