

# Donor Advised Funds at Stanford

A Simple, Powerful, and Highly Personal Approach to Giving



Stanford  
University

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## A Simple, Powerful, and Highly Personal Approach to Giving



“I created a donor advised fund because I wanted Stanford to invest my money while I decide how to allocate it among various opportunities. In the meantime, I have confidence that the Stanford Management Company’s first-rate team is investing the money I have contributed for long-term growth while I work at developing the areas of greatest potential interest to me.”

**Gene Sykes**, MBA '84, co-chairman of Global Mergers & Acquisitions (M&A) and co-chairman of the Global Technology, Media and Telecom Group, Goldman Sachs & Co.

**IF YOU HAVE BEEN WONDERING HOW TO CREATE A LASTING LEGACY, HAVE MULTIPLE** interests, or simply are not sure exactly how you want to allocate your gift, consider a Stanford donor advised fund.

A donor advised fund at Stanford may be the most advantageous way for you to realize your philanthropic goals. You can make a tax-deductible gift to Stanford to establish a fund today and advise as to how the university will use your gift—in its entirety or in incremental designations—in the future. In the meantime, you have the option of having your fund invested with Stanford’s endowment, enabling you to take advantage of an investment management strategy that has outperformed major market indices over the long term.<sup>1</sup> You may also request that Stanford make distributions from your fund to other charities that you wish to support.<sup>2</sup>

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<sup>1</sup> Please note that past performance is not a guarantee of future returns. The Stanford endowment has experienced negative returns from time to time. Donors also can request their funds be invested in a money market pooled fund.

<sup>2</sup> Although not legally obligated to do so, Stanford generally honors donors’ requests for distributions to other qualified charities. Stanford has exclusive legal control over the assets contributed.

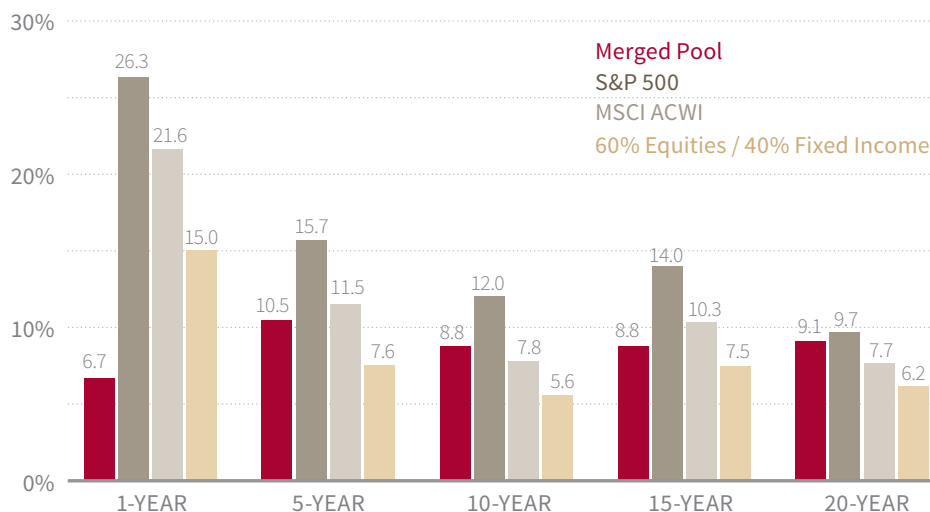
<sup>1</sup> The Merged Pool represents the primary investment vehicle of Stanford's endowment. The returns shown are based on the monthly valuation for endowment shares used by the university and differ from the annual returns published each year by the Stanford Management Company (SMC). SMC publishes the Merged Pool actual returns many months after June 30 when it has received appraisals and valuations of non-publicly traded assets, whereas the monthly values are determined without waiting for such updated valuations.

<sup>2</sup> The S&P 500 represents an index of 500 of the largest companies in the U.S. economy. The index provides a broad snapshot of the overall U.S. equity market performance.

<sup>3</sup> The MSCI All Country World Investable Market Index (ACWI IMI Net) is a global index made up of more than 9,000 stocks of companies of large, mid, and small sizes domiciled in more than 45 countries.

<sup>4</sup> The 60/40 portfolio represents a passively managed portfolio consisting of 60% MSCI ACWI IMI Net and 40% Bloomberg Barclays U.S. Aggregate Bond Index. It has traditionally been used as an institutional benchmark.

## Stanford's Merged Pool vs. Market Indices— Annualized Returns as of 12/31/23



Donor advised funds may be invested with Stanford's endowment to take advantage of the Stanford Management Company's expertise, which has produced impressive long-term investment returns.

## How Does it Work?

### ESTABLISH A DONOR ADVISED FUND

- Establish a donor advised fund at Stanford with a minimum gift of \$1 million.
- Gifts may range from cash or securities to more complex assets such as real estate, collectibles, or limited partnerships. Stanford has the expertise and experience to accommodate most assets you may wish to give.
- Stanford generally does not charge a fee for managing and investing donor advised funds, but it reserves the right to charge up to 0.5 percent annually to help cover administrative costs, depending on the size of the fund.

### DESIGNATE 50 PERCENT TO STANFORD

- Half of the gift amount must be designated to Stanford. The other half may be used to support other approved charities. (Note that for gifts of \$10 million or more, Stanford requires that only 40 percent come to the university; for a gift of \$20 million or more, only 30 percent must be reserved for Stanford.)
- The fund is invested in the Stanford endowment or in a money market pool after consultation with the donor.

### DISTRIBUTE

- Distributions from your fund (either within Stanford or to an outside charity) may be requested through the Office of Planned Giving or your development office contact.
- Although Stanford does not limit the number of requests, we do ask that requests for distributions be made in increments of at least \$1,000 and that the frequency of such requests be reasonable.
- Because of IRS rules, distributions from your fund are not generally permitted as a payment on a legally binding pledge; for a purpose that would result in benefits for you or your family, such as tickets to a charity event or preferred seating at athletic events; or generally to high schools, due to current NCAA regulations.
- You may add to your donor advised fund at any time and in any amount, subject to the same stipulations on the proportion of the gift that must come to Stanford.
- Stanford will provide you with quarterly reports on your fund's investment returns and account activity. If you have any questions about your fund, the Planned Giving staff or your development office contact can help.

## Benefits of Creating a Donor Advised Fund at Stanford

- You can make a gift now, enabling you to claim the maximum available tax deduction [based on Stanford's status as an IRC 501(c)(3) public charity], and decide later on a recommendation as to how your gift will be used.
- While you consider future options for how you would like your gift to be used and by which charity(ies), your fund can be invested with the Stanford endowment, thereby enjoying potentially significant investment returns.
- You can designate support at a future date or dates for an area of Stanford that is most meaningful to you—whether providing for students, faculty, research, centers, institutes, athletics, or a myriad of special programs.
- Besides support for Stanford, your fund can be used to support other charities that are important to you.
- A Stanford donor advised fund combines the flexibility of a private foundation with the tax advantages of a public charity.

## How Donor Advised Funds Can Help the University

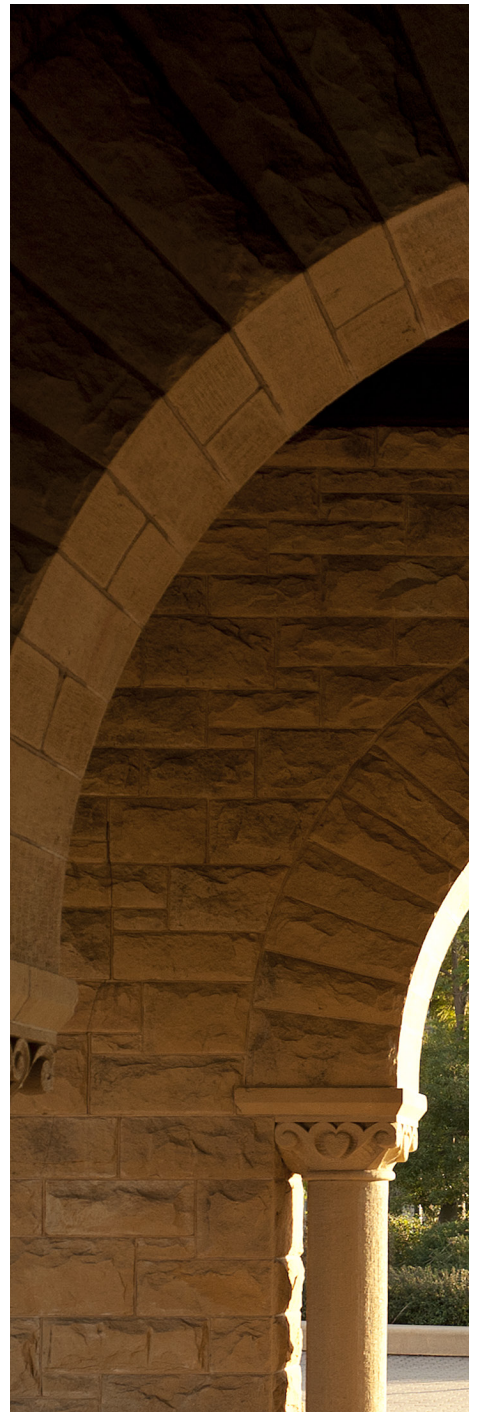
### HERE ARE JUST A FEW EXAMPLES OF WAYS THAT YOU MIGHT SUPPORT STANFORD THROUGH YOUR DONOR ADVISED FUND:

- Endow a professorship in a field that is meaningful to you
- Help Stanford maintain its tradition of need-blind admissions by endowing a scholarship
- Create a graduate fellowship in one of the schools or interdisciplinary initiatives
- Establish a fund to support innovative research
- Fund the construction of a research facility or other important building
- Support a specific school, department, or institute

*Note:* Matching funds may be available. Check with the Office of Planned Giving for details.

## Establishing a Testamentary Donor Advised Fund for the Next Generation

**IT IS POSSIBLE TO ESTABLISH A DONOR ADVISED FUND AT STANFORD THROUGH A GIFT** provided in your will, revocable trust, or other testamentary gift. Your bequest establishing the fund will be fully deductible for estate tax purposes, and you can name children or others to be the fund advisors. The same requirements for establishing a Stanford donor advised fund during your life will apply: The gift must be at least \$1 million, and at least 50 percent must be distributed to support purposes at Stanford over the life of the fund. Stanford's Office of Planned Giving will be happy to provide additional information as well as suggested bequest language.



For more information, please contact:

**Office of Planned Giving**

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