



DAF Perspectives for Advisors

Expertise and tools to help advisors deepen the philanthropic conversation

Wealth Planning and Philanthropy in Times of Crisis

By John Canady, Chief Executive Officer

As we all adapt to living differently during the coronavirus pandemic, advisors are grappling with how to best support their clients during this period of volatility and uncertainty. Philanthropy is top of mind for many clients at this time, and NPT UK remains focused on providing philanthropic solutions to donors all over the world.

Advisors have an opportunity to engage with clients on how they can support the response effort to COVID-19. This is also a time to help clients with their wider philanthropic planning as the current pandemic and economic downturn is causing people to reconsider their overall wealth planning structures. A [donor-advised fund](#) (DAF) can be a philanthropic solution in both the short and long term. Here's why:

For immediate needs:

- **DAFs facilitate quick and efficient giving.** When time is of the essence, DAFs can be set up within days and grants can then be recommended right away to charities around the world.
- **DAFs maximise giving with a [wide range of gifts](#).** DAFs are uniquely positioned to accept a variety of asset types as contributions. Gifts of cash (which benefit from the additional Gift Aid tax relief for UK taxpayers) are a quick way of contributing to a DAF. Gifts of publicly traded securities or restricted shares are also possible and a helpful way of reducing a donor's tax liability. Such contributions exempt donors from paying capital gains tax on the shares' appreciation. For clients looking to make contributions beyond cash or shares over time, illiquid and complex assets including gifts of property, tangible assets and alternative investments are also possible.

To manage longer-term priorities:

- **DAFs are a tool for family philanthropy.** Giving as a family can be very rewarding. Many private clients use family philanthropy as a way to express their shared values and as a way to give back together. DAFs are often used as an [alternative](#) to setting up a charitable trust or foundation. Different family members can be named as joint and secondary advisors to a DAF for recommending investments and grants.

Wealth Planning and Philanthropy in Times of Crisis (continued)

- **DAFs offer solutions for estate planning.** Many clients are using this time to update their estate planning and wills. Your clients may wish to open a DAF to leave a charitable legacy gift in their will. They may also use their DAF for lifetime giving or alongside any other philanthropic structures that they may have.

As your clients continue to evaluate their wealth planning arrangements, please [contact us](#) with any questions related to philanthropic planning.

John Canady, CEO of National Philanthropic Trust UK, has 25 years of experience working across the business, nonprofit and government sectors. He specializes in creating and managing philanthropic funds for donors and family offices around the world who wish to base their philanthropy from the UK.

NPT UK does not provide legal or tax advice. This blog post is for informational purposes only and is not intended to be, and shall not be relied upon as, legal or tax advice. The applicability of information contained here may vary depending on individual circumstances.