



DAF Perspectives for Advisors

Expertise and tools to help advisors deepen the philanthropic conversation

How to help your clients create a giving legacy

By John Canady, Chief Executive Officer

When you discuss charitable giving with your clients, you will find that many of them hope to leave a lasting, positive footprint. Some clients may wish to name charitable beneficiaries as part of their legacy. Others may look for ways to engage the next generation.

A donor-advised fund (DAF) can be an excellent solution for advisors, clients and their families. With a DAF, your clients can opt to involve their children in giving during their lifetime by appointing them as secondary advisors. They can also appoint their children as successor advisors to the DAF to ensure that the philanthropic tradition continues.

With a DAF at NPT UK, there are three primary legacy succession planning options:

- **Designating charitable beneficiaries:** Your clients can recommend one or more charities to receive a lump sum grant at the time of their death by designating a percentage of assets left to each charity. NPT UK also allows the client to have the option to remain anonymous to the charities, if desired.
- **Naming individual successors:** Your clients may appoint individual successor advisors to assume the advisory privileges over the DAF assets upon their death.
- **Establishing an endowment:** Your clients may use their DAF to set up a charitable endowment, just as they would with a charitable trust or foundation. They may recommend that a portion of their DAF assets be distributed over time in annual grants to one or more charities.

By helping your clients plan their charitable legacy, you may begin to build relationships with the members of their family as you talk through their options and help them work together.

You may also help your client optimise their UK inheritance tax planning. As NPT UK is a UK registered charity, a legacy gift to a DAF is outside of the client's estate before inheritance and will not count towards the total value of the client's estate. Giving at least 10% of an estate to charity may reduce your client's inheritance tax rate from 40% to 36%. Using a DAF also allows the client to change their wishes and succession plan during their lifetime, without having to change their will.

How to help your clients create a giving legacy (continued)

By helping your clients to make a long-term plan, you can ensure that a donor's wishes and financial interests are honoured the way they would have wanted.

To find out more about how NPT UK can help to structure your clients' philanthropic legacy, contact us at enquiries@nptuk.org.

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.

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