



DAF Perspectives for Advisors

Expertise and tools to help advisors deepen the philanthropic conversation

Essentials of Year-End Giving for Your Clients

By Natalie Pinon, Director of Development

As we approach the end of an unprecedented year, your clients will be looking back as well as planning for the year to come. 2020 has, in many ways, been a transformative year for private philanthropy. The hope is that the positive changes in giving sparked by the extraordinary response to the COVID-19 crisis can take root and grow.

In 2020, the challenges posed by the global pandemic and related struggles motivated donors to give to causes they care about in record numbers. A growing number of your clients will have made use of their donor-advised fund (DAF), a charitable giving vehicle, to give where it was most needed. Private clients use [DAFs](#) as an alternative to a charitable trust or foundation.

Your clients might be conducting more of their charitable giving at the year's end. Here are some of the ways you can help them to make a lasting difference with their philanthropy.

Encouraging thoughtful giving

In the first four months of the pandemic, NPT UK facilitated over £17m of grants to COVID-19 related causes. To help your client participate in this swell of generosity, here are some ways to help them plan their giving:

- *Thinking globally:* The impact of COVID-19 is felt around the world, and people are reaching across borders with assistance and aid. Your clients can use their DAF to recommend grants to charitable organisations anywhere in the world. NPT UK conducts all the necessary due diligence on the recipient charity.
- *Acting locally:* Your clients can make a difference closer to home by giving to local organisations supporting the most vulnerable. [Regional community foundations](#) have a unique understanding of where and how your clients' support can best be deployed—so you might suggest they reach out to their local foundation to find out more.
- *Giving without restriction:* Flexible support is crucial as charities shift their priorities to address the immediate and long-term effects of the crisis. Encourage your clients to make unrestricted grants to the charities they support to allow these organisations to use funds as they see fit.
- *Safeguarding future charitable plans:* While many of your clients will have made larger gifts to charities this year, it is worth reminding them to consider making top-up contributions to their DAF at year-end. This will ensure their philanthropic plans and future years of giving are covered.

Essentials of Year-End Giving for Your Clients (continued)

Practising family philanthropy

Though travel restrictions may limit your clients' family gatherings during the holiday season, one thing families can always do together is give. Family philanthropy can be rewarding—but can also be challenging without a framework. Here are some ways to encourage your clients and their families to give together:

- *Encourage early participation:* It's never too early to teach children about giving, whether through a "charitable allowance" for young children or by bringing them on as advisors to family giving structures when they are older.
- *Acknowledge generational differences:* While your older clients might have been supporting the same cause or even the same organisations for many years, their children and grandchildren might be shifting their giving among several causes. As advisors, your role in helping a family discuss their motivations might be crucial to find common ground or to develop separate giving strategies.
- *Determining budget and structure:* DAFs can accommodate the giving strategy that works best for your clients; younger family members can be named as secondary advisors who may recommend grants now, or individual successors who will inherit advisory privileges on the DAF later.

Investing with impact

Grantmaking is just one way to invest in a better world for future generations. A DAF offers your clients the chance to recommend investment strategies that align with their values, helping them have positive impact even before they recommend a grant. NPT UK offers several impact investment options:

- NPT UK's standard pre-approved investment menu includes options to invest in impact positive companies such as that further the UN SDGs, have a lower carbon footprint, or that are led by women.
- NPT UK also offers the option of making a bespoke investment recommendation, where your clients' DAF assets could be managed by an impact investment manager of their choice.

For many private clients, the global events of 2020 have instilled a renewed sense of purpose when it comes to charitable giving. With this comes an opportunity for you as advisors to help your clients reshape priorities and practices.

NPT UK offers philanthropic solutions for your clients' year-end giving and beyond. To find out more about how we can help, please contact us at enquiries@nptuk.org.

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