



NATIONAL
MUSEUM
of the
AMERICAN
INDIAN

☀ Smithsonian

ROUNDTABLE DISCUSSION: THE FUTURE OF MIDLEVEL MEMBERSHIPS IN THE WORLD OF DAFS & IRAS

American Museum Membership Conference
Wednesday, October 21

Colleen Morith, Smithsonian Institution

Emily Dauer, National Air and Space Museum

David Saunders, National Museum of American Indian



DONOR ADVISED FUNDS (DAF)

- Description:
 - A separately identified fund or account that is maintained and operated by a sponsoring organization. Each account is composed of contributions made by individual donors. Once the donor makes the contribution, the organization has legal control over it. However, the donor, or the donor's representative, retains advisory privileges with respect to the distribution of funds and the investment of assets in the account.
- Why use a DAF?
 - Donors can combine the most favorable tax benefits with the flexibility to support their favorite causes
- Limitations:
 - Donor advisors cannot receive benefits that have a value for tax purposes in return for DAF grants. (No quid pro quo)

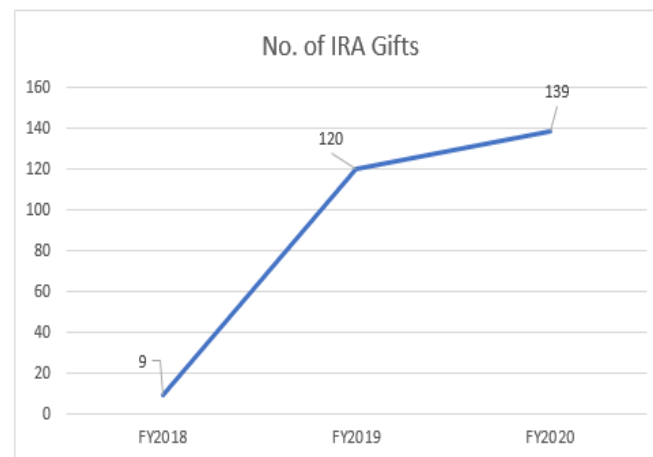
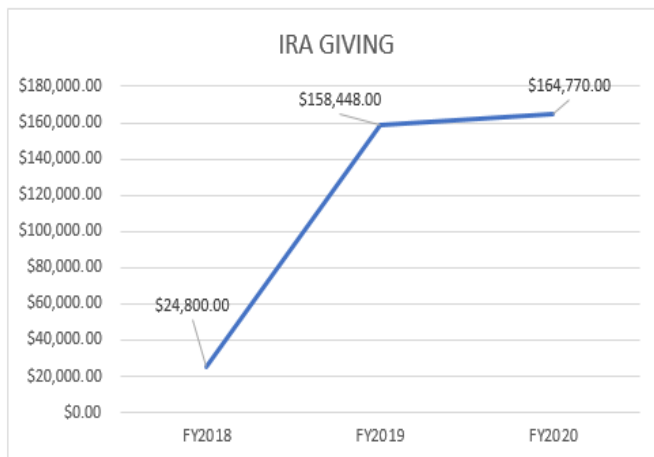
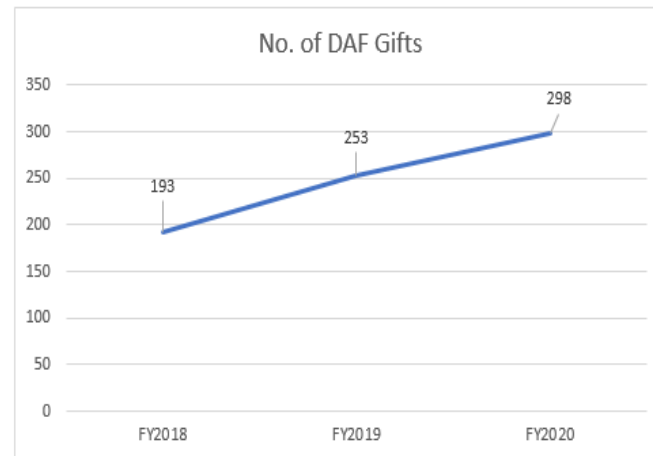
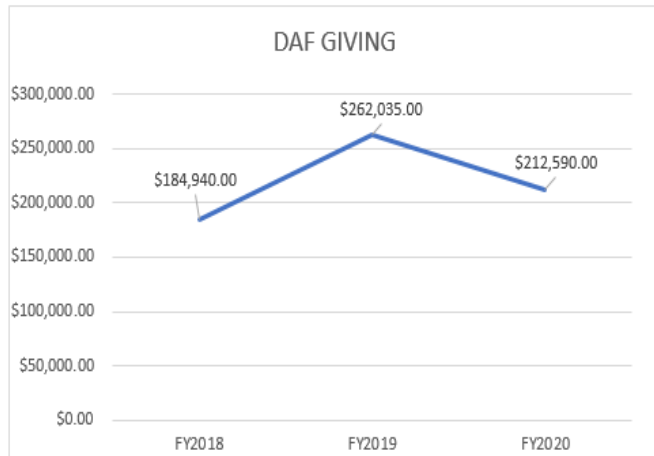
INDIVIDUAL RETIREMENT ACCOUNTS (IRA)

- Individuals who are 70 ½ or older may annually distribute up to \$100,000 from an IRA directly to a qualifying charity and exclude the distribution from their taxable income (a “**charitable rollover**” or a “**qualified charitable distribution**”).
- It gets complicated:
 - Acceptance of goods and services in connection with the contribution *may* limit the donor’s ability to treat it as a qualified charitable distribution.
 - If the donor makes a charitable rollover and excludes the entire distribution from their taxable income, the donor is prohibited from receiving benefits that have fair market value.
 - **BUT**, if the donor chooses to pay income tax on the amount distributed, benefits with fair market value are allowed and must be reported on the gift receipt.
 - How do you as the recipient charity know what type of distribution the donor used? Often, you don’t.
- Impact of the CARES Act
 - No required minimum distributions from IRAs in 2020
 - Expected reduction in the number of gifts made using a charitable rollover in 2020.

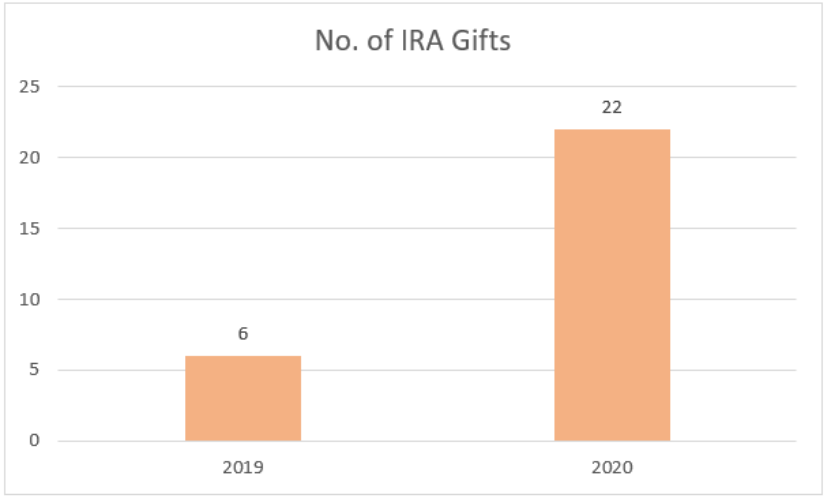
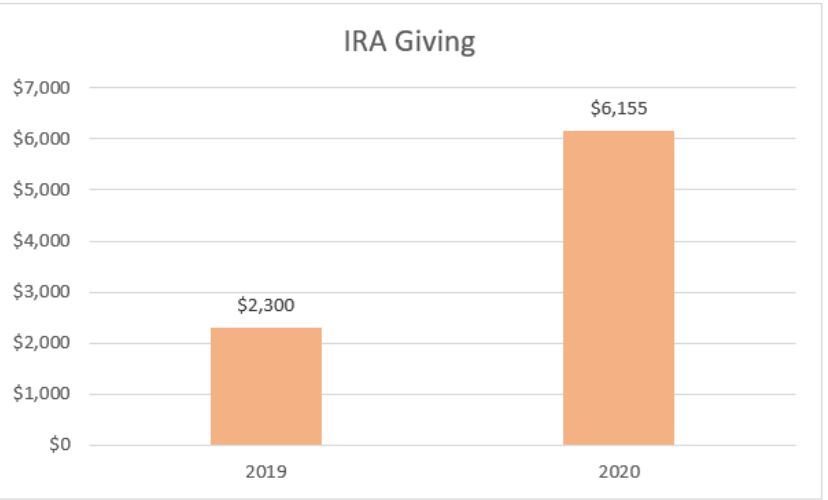
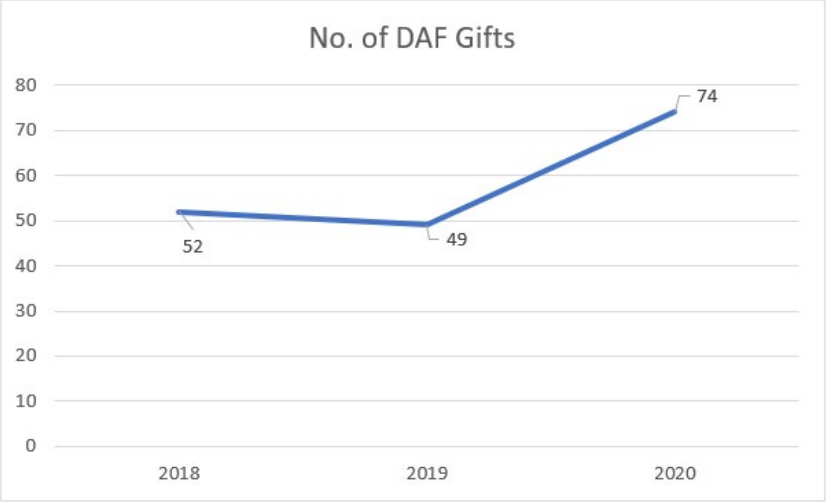
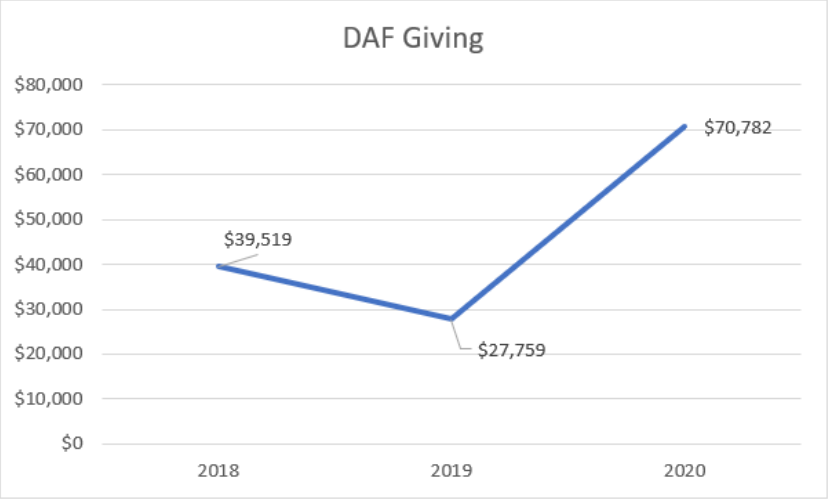
SUMMARY OF GUIDELINES

	Memberships*	Personal Pledges	Invitations to Events
DAFs	<ul style="list-style-type: none"> Allowed if benefits have no value under IRS rules Donors should have the option of joining through a DAF membership category or otherwise be notified that they may not receive benefits Donors may not use DAF funds to pay for the gift portion of a membership with valued benefits 	<ul style="list-style-type: none"> Not allowed Sponsoring organization may make and fulfill a pledge 	<ul style="list-style-type: none"> Allowed if the events have no value under IRS rules (see the Membership Programs Guidebook) Donors may <u>not</u> use DAF funds to pay for the “gift” portion of any ticket
IRAs	<ul style="list-style-type: none"> Allowed if IRA disclosure on the acceptance of benefits is included in the tax receipt.** Donors should be advised to consult their tax advisor if they indicate they plan to claim their contribution as a charitable rollover and they will be receiving valued benefits. 	Allowed	<ul style="list-style-type: none"> Allowed if IRA disclosure on the acceptance of benefits is included in the tax receipt.** Donors should be advised to consult their tax advisor if they indicate they plan to claim their contribution as a charitable rollover.

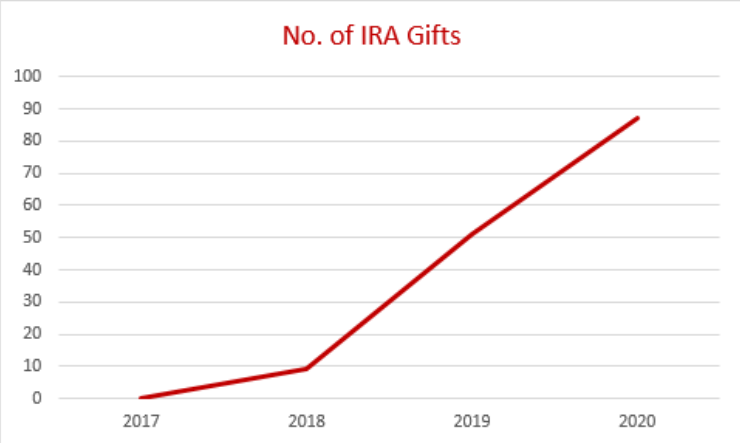
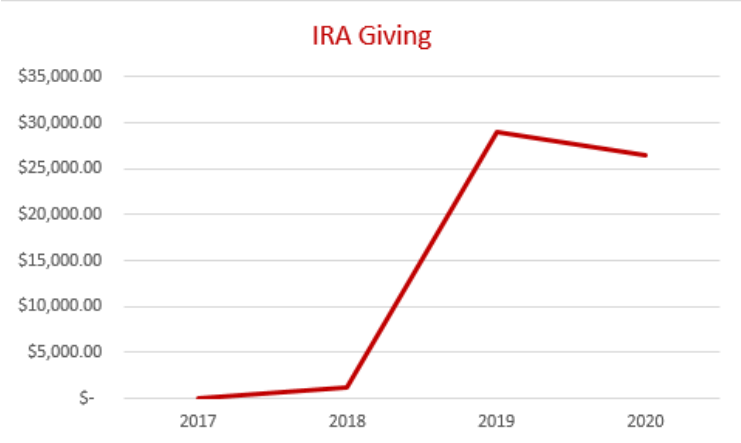
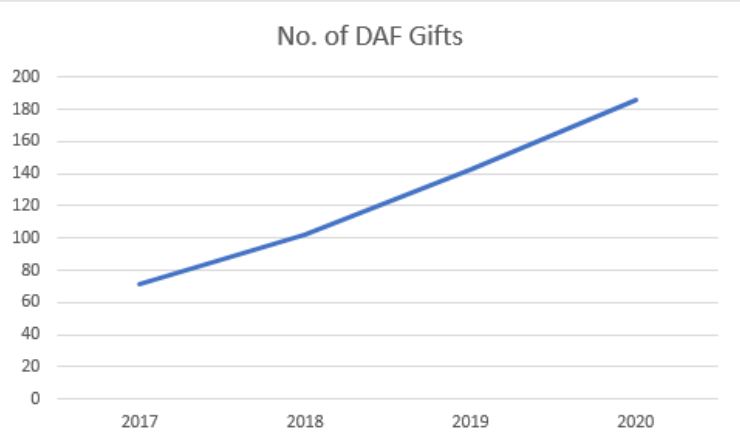
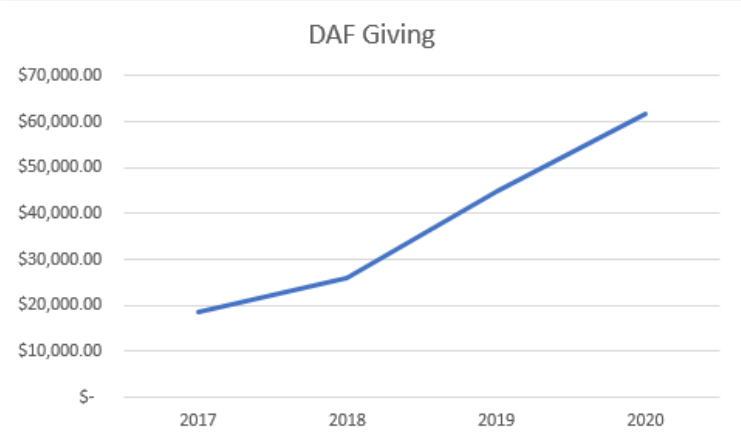
DAF AND IRA GIVING TRENDS AT FRIENDS OF THE SMITHSONIAN



DAF AND IRA GIVING TRENDS AT NASM



DAF AND IRA GIVING TRENDS AT NMAI



EXAMPLES AND RESOURCES

- Individual Smithsonian museum “Ways to Give” pages:
 - <https://americanindian.si.edu/support/giving>
 - <https://www.si.edu/support/even-more-ways-give>
 - <https://airandspace.si.edu/support/ways-give>
- DAF widgets for your website
 - DAFWidget.com <https://dafwidget.com/>
 - DAF Direct <https://www.dafdirect.org/>
- Smithsonian guidelines for “Special Giving Sources” with donor acknowledgment samples:
 - http://go.si.edu/ammc_daf_ira