



National
Philanthropic
Trust

Your partner in giving

Essentials of Year-End Giving

IN THE FINAL MONTHS OF THE YEAR, a surge of charitable activity takes place, known as “Giving Season.” It is a time when the spirit of generosity moves us to support the causes we care about and to plan for the coming year’s philanthropic goals.

The challenges that tested our collective resilience also revealed the depth of our compassion this year. We navigated another year of economic uncertainty, humanitarian crises and natural disasters. Those that were able to answered the charitable call—many responding quickly to emergent needs and honoring longstanding philanthropic commitments using a donor-advised fund (DAF).

Donors gave in record numbers to international causes, and we witnessed a resurgence in giving to sectors like arts, culture and humanities as donors turned their focus back to pre-pandemic giving priorities.

In this season of generosity, as you continue to support communities in diverse ways, a DAF offers a flexible and tax-efficient tool to carry out your philanthropy.

In this piece, we will provide guidelines on how to use a DAF to help you give meaningfully and impactfully throughout the season and beyond.

Philanthropic aspirations are unique and personal. A charitable vehicle like a DAF can be a powerful tool to help you manage your choices.

Balance Immediate and Long-Term Objectives

Through a DAF, donors establish a reserve of charitable assets to use for grantmaking. This source can be tapped into to support cherished causes and emerging societal needs.

This Giving Season, think both in the short- and long-term to provide for your immediate philanthropic plans while allowing yourself the flexibility to be responsive and strategic in the year ahead.

One way to do this is to organize your giving priorities into three buckets and assign an aspirational budget to each:

- Causes you are personally committed to supporting
- Responses to appeals from family, friends and colleagues
- Reactions to the unexpected (e.g. natural disasters, humanitarian emergencies)

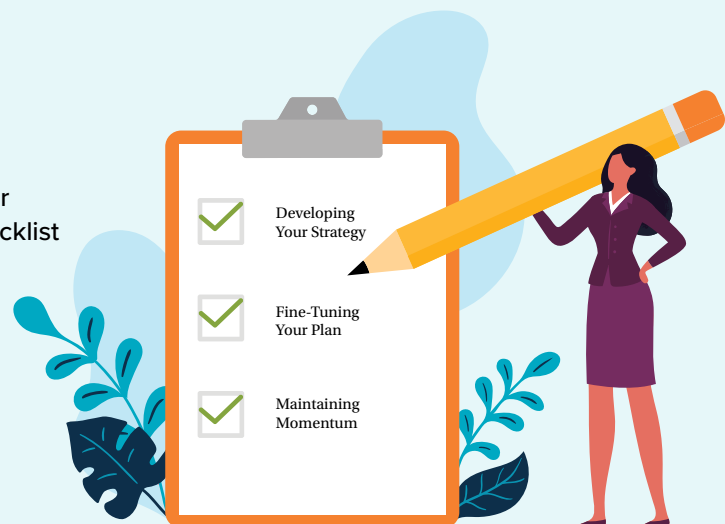
Give Regularly With Ease

Single charitable gifts hold transformative potential, as do regular smaller donations. DAF donors are well-suited for recurring grants as your funds are pre-committed to charitable goals. Through NPT's GivingPoint platform, you can effortlessly establish recurring grants on monthly, quarterly or semi-annual schedules.

Doing so alleviates some of the stress of remembering when and where to donate, and provides a revenue stream to nonprofits to buoy their operational commitments, expand services, offer new programming and make revitalizing investments.

Giving Season is not only for responding to fundraising appeals but also envisioning your philanthropy's enduring impact. Use this checklist to shape your strategy, refine your plan and sustain your giving momentum.

[Defining Your Philanthropic Strategy: A Checklist](#)



NPT's approach to charitable giving helps donors go beyond traditional checkbook philanthropy so there are more ways to make year-end giving impactful and tax-smart.

Give Appreciated Assets

DAFs are well-equipped to accept non-cash donations. By contributing long-term appreciated assets, you may be able to minimize capital gains taxes on the accumulated growth. Additionally, if assets have been held longer than one year, you are eligible to claim a tax deduction for the full fair market value of the donated asset subject to income limitations. This approach maximizes the benefits of your contribution by preserving the highest possible percentage of asset proceeds for charitable giving.

WHAT CAN I CONTRIBUTE?

NPT will consider any asset for a charitable contribution:

- Publicly traded securities
- Restricted and control stock
- Closely held business interests
- Hedge funds and private equity
- Real estate
- Art, collectibles and jewelry
- Cryptocurrency

How NPT Handles Complex Asset Contributions

Non-cash assets—like private fund interests, restricted stock and closely held business interests—require a longer lead time for NPT to conduct thorough due diligence.



STEP 1: INQUIRY

Donors or advisors consult with NPT about the proposed asset for contribution, including the timing of the liquidity event, tax implications, anticipated carrying costs, restrictions on the asset and issues of control.



STEP 2: DUE DILIGENCE

Once a contribution meets initial criteria, NPT's due diligence process begins to assess risk, cost and transferability. Required documentation includes governing documents, related agreements, financial statements and more. This process may take up to 2 to 8 weeks, or longer, based on asset type.



STEP 3: ACCEPT OR DECLINE

If NPT agrees to accept the contribution, we will ask you to submit a Contribution Agreement and execute an agreement setting forth the terms of the transfer of the asset. You may be required to obtain a qualified appraisal for income tax purposes.



STEP 4: LIQUIDATE AND FUND DAF

Liquidation timing varies. Some contributions, like cryptocurrencies, are liquidated immediately; others may be held for a longer time period. Liquidation proceeds fund the DAF, minus any costs to cover expenses, like legal fees, taxes and insurance.

Set Yourself Up for Future Giving

The strategy of bundling, which involves making a substantial contribution to a DAF that covers future years' charitable giving, provides donors with the opportunity to secure their future philanthropic plans while potentially qualifying for a more advantageous itemized tax deduction.

Windfall occasions are especially favorable times to consider bundling. If you are anticipating any of the following events and are looking for a year-end planning strategy, a DAF could be right for you.

- A high-income year
- An inheritance
- The sale of a business

Work a DAF Into Your Estate Plan

When you contribute assets to a DAF, they are no longer includible in your estate, making them exempt from estate and inheritance taxes. Furthermore, you have the option to designate your DAF as a beneficiary in your will or trust.

ESTABLISH A LEGACY

Ensure future generations can continue your legacy of giving with any combination of these options:

- Name one or more successor advisors who will receive their own DAFs to be created from your DAF's assets.
- Identify a favorite charity to be supported with a lump-sum donation.
- Recommend endowments for charities to receive a recurring annual grant (for DAFs over \$100,000).



Explore Areas of Interest

Identifying causes you are passionate about, as well as choosing the right organizations to support, can be a daunting task at any time of year, but especially at year-end.

NPT has resources and self-guided strategy tools available at nptrust.org and nptgivingpoint.org, but for those who may want to go deeper, our Philanthropic Solutions Team is available to help.

FOCUS REFINEMENT

We help you narrow down the causes that resonate most with you and identify organizations that align with your giving goals.

FAMILY PHILANTHROPY

We facilitate conversations to help families give together—sometimes to a common issue or to explore various interests and share in learning.

GLOBAL GIVING

Whether you prefer to support causes locally or internationally, we can provide guidance on making grants to charitable causes within the U.S. and abroad.

CUSTOMIZED GRANT AGREEMENTS

We can assist in crafting specialized grant agreements which may include naming rights, reporting requirements, challenge or matching grants and other terms important to you.



TIPS FOR SUCCESSFUL GRANTMAKING

DAFs are used to fund a wide variety of charitable causes around the world, but there are restrictions.

A DAF CAN:

- Fund active, qualified charitable organizations
- Support international causes
- Make recurring grants to qualified nonprofits

A DAF CANNOT:

- Support political parties or candidates
- Make grants to private non-operating foundations
- Be used for personal benefit
- Make grants to individuals

For a detailed summary of how DAFs can—and cannot—be used, see [Tips for Managing Your Charitable Giving](#).

Contribution Deadlines

It is always best to start your year-end giving as early as possible. But whether you are giving with a credit card or contributing securities, this timetable will help you plan.

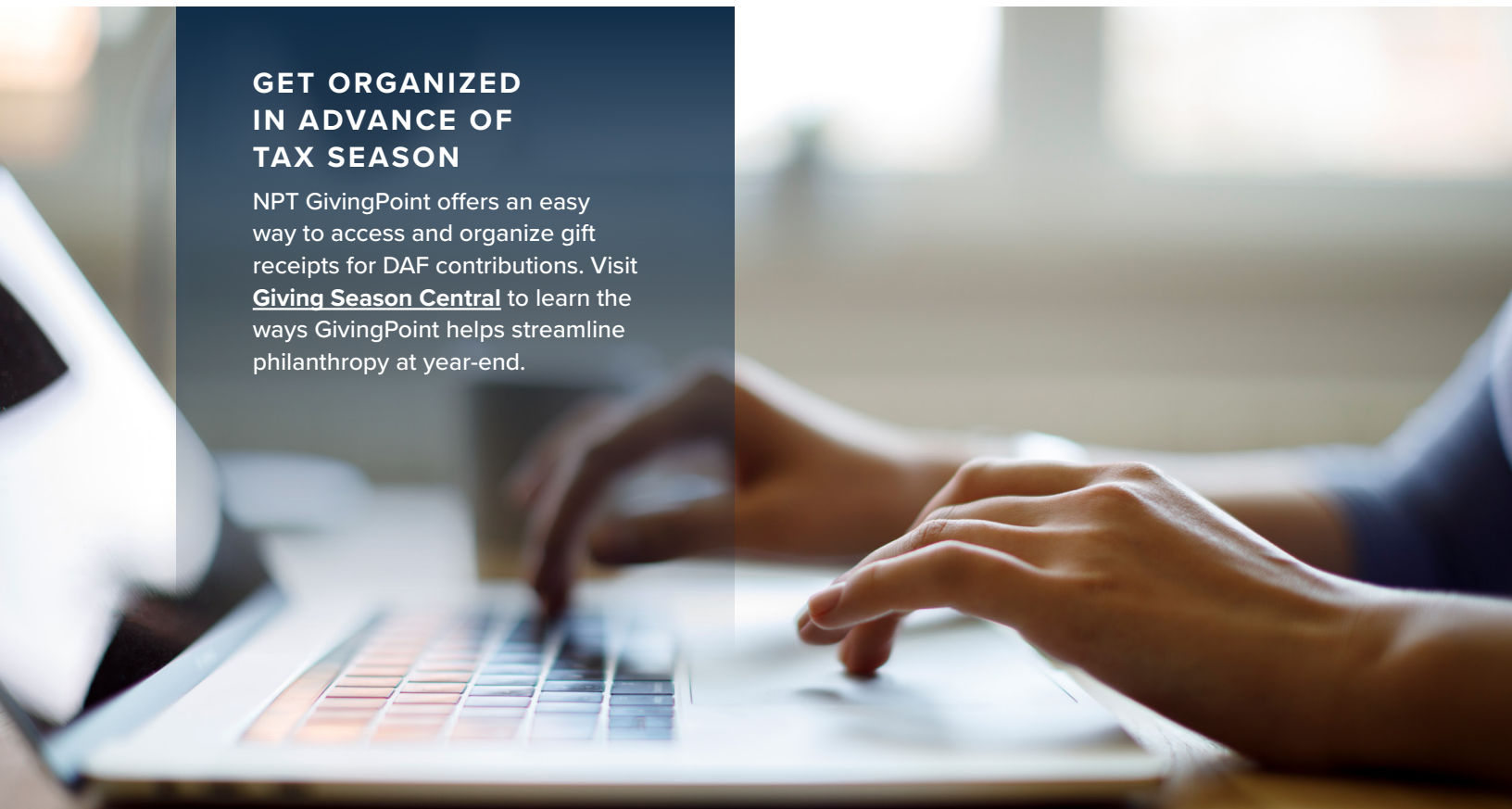
Note: Because December 31 falls on a Sunday, the deadlines for many asset types will be December 29 this year.

Private Investment Funds, Real Estate and Closely Held Stock	As early as possible
Stock Certificates	Initiate process as early as possible ; must be received in good order by December 29 (or postmarked by December 30 if shipping by USPS)
Mutual Funds	Initiate transfer by November 29 ; must be received by December 29
Cryptocurrency	Documentation must be received by December 20 ; assets must be received by December 31
Stocks, Bonds, ETFs	Initiate transfer by December 21 ; must be received by December 29
Money Wire	Initiate transfer by December 22 ; must be received by December 29
Check (sent by FedEx, UPS or another carrier)	Must be received by 3 p.m. ET on December 29
Check (sent by USPS)	Postmark by December 30
Credit Card	Submit donation online via GivingPoint by 11:59 p.m. ET on December 31

To receive 2023 credit for your charitable contribution, NPT must take possession of your contribution by the last day of the year, December 31. Assets in-transit as of January 1, 2024 are not considered as received by NPT and will not qualify for a 2023 tax deduction.

GET ORGANIZED IN ADVANCE OF TAX SEASON

NPT GivingPoint offers an easy way to access and organize gift receipts for DAF contributions. Visit [Giving Season Central](#) to learn the ways GivingPoint helps streamline philanthropy at year-end.



Grantmaking Guidelines

When donors make DAF grants at year-end, they are usually hoping that their favorite charities receive them before the New Year. Just as our Legal team conducts due diligence for complex asset contributions, our Grants team reviews your grant recommendations to ensure they go to charitable purposes—and safely reach intended recipients.

To give our team time to process and issue your year-end grant recommendations, use the guidelines below:

For NPT to review, approve and send the grant payments in 2023, we ask that you:

Enter grant recommendation by 11:59 p.m. ET on **December 18**.
Approved grants will be sent on or before **December 29**.

If you hope to have your grant recommendation approved in 2023 with grant payments sent early in 2024, we ask that you:

Enter grant recommendation by 11:59 p.m. ET on **December 22**.
Grants approved in 2023 will be sent on or before **January 4, 2024**.

To learn more about how we protect our charitable dollars, read [How NPT Conducts Grantmaking Due Diligence—and How Donors Can Avoid Charity Scams](#).

GET MONEY TO CHARITIES FASTER

This Giving Season, the charities you support can enjoy the benefits of Grant Payments, a digital grantmaking solution NPT developed in partnership with PayPal.

With Grant Payments, enrolled nonprofits receive grant proceeds through electronic funds transfer. Grant funds are delivered straight to the charity's PayPal account in a matter of minutes.

To date, NPT has disbursed over \$65 million in grants to charitable causes through Grant Payments, with most funds hitting charities' accounts within 24 hours.



Get in Touch

As you prepare for Giving Season, our team stands by to fully assist you. We offer insights into innovative giving methods and consulting services for those ready to establish a DAF giving strategy.

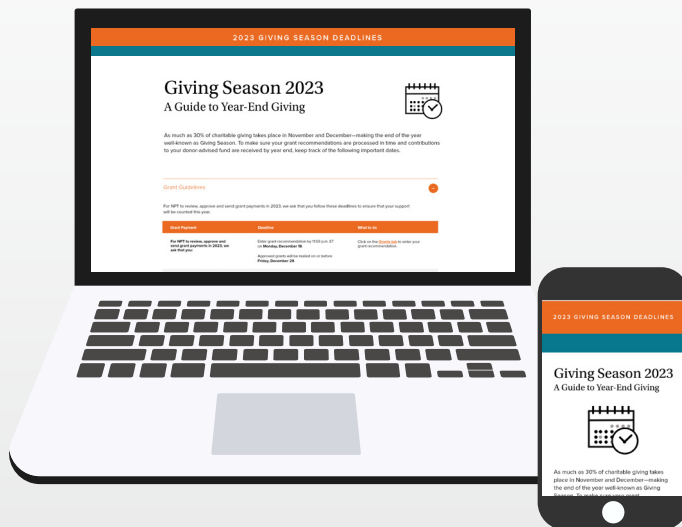


Contact us at npt@nptrust.org or (888) 878-7900 for direct assistance.



About NPT

For over 25 years, NPT has supported donors to achieve their giving objectives. We are proud to have aided them in making more than **640,000 grants** totaling more than **\$25.7 billion** to charities all over the world. We rank among the largest grantmaking institutions in the United States.



GET MORE GUIDANCE ON GIVING SEASON CENTRAL

Want quick access to guidance for year-end giving? Visit and bookmark Giving Season Central: nptrust.org/giving-season-central

You will find information, worksheets and resources on:

- Contribution and grantmaking deadlines
- Extended office hours
- Philanthropic strategies
- NPT GivingPoint
- And more