

CHURCH OF ST. TIMOTHY

Another way to be a generous Catholic

We all feel like better Catholics when we can help others. The warmth and glow we feel is hard to describe. The same happens when we help our parish be that beacon of light in our community that warms us all. We all can play a major role in keeping that beacon of light glowing into the future. We, at the Church of St. Timothy, want to make that as easy as possible for us all.

What have we already done?

- Made automatic giving possible and easy to set up
- Made making gifts from our website easy
- Provided contribution boxes at the back of the church
- Kept envelope donations as an option
- Continue to accept mailed contributions

Another great way to give for some parishioners might be through a donor advised fund (DAF).

What is a donor advised fund? A way to place gifts that you want to give to St. Tim's and your favorite non-profit organizations into a fund that will grow interest and make being generous easier. You can make gifts out of that fund directly to the charity now or at a later date. There is usually a minimum investment required, around \$10,000, to establish a DAF. However, some have no minimum and others are as high as \$25,000. You will be charged an administrative fee and sometimes an investment fee, both usually under 1 %.

Why would I use a donor advised fund rather than make my gifts directly to St. Tim's or to other charities? There are three main reasons. See if they make sense for you.

- **You may receive a federal tax break from your DAF contribution if it is beneficial for you to itemize deductions.** In 2022 they must total at least \$12,950 for an individual and \$25,900 for a couple. A donor advised fund would also allow you to use "**bunching**" as a way of adding enough to the fund in one year to reach the itemized minimum, get the tax break, and then make gifts over several years.
- **Money in a DAF is invested and grows, producing more to give to charities.** Your DAF manager may have different investment options to choose from including socially responsible investments.

- **A Donor Advised Fund simplifies your charitable giving.** The financial institution that manages your DAF will make sure the organizations you are giving to are eligible charities, issue your gifts directly to them, and give you a report. A DAF can also receive noncash gifts such as stocks, nonpublic securities, or property. They will convert them to cash and make your gifts according to your wishes.

Who manages DAFs and how do I make sure I will benefit from one? **Your financial or tax advisor will give you excellent advice on how a DAF might help you be a more generous Catholic steward.** Remember that itemized deductions fall into many categories in addition to charitable gifts such as medical, home mortgage interest, and casualty and theft losses. Reaching that itemization level will be different for everyone.

Here are some of the different kinds of institutions that manage DAFs.

- Community foundations
- Major fund and investment companies
- Universities
- Individual charities

You may already have a trusted relationship with an institution that manages DAFs.

Please take time to make sure a DAF is for you. We bring this information to you with gratitude for all you already give and do for St. Tim's. We hope it is helpful.

Prayerfully yours,

Fr. Joe Whalen, Pastor

Cathy Sullivan, Director of Administration and Finance

David Bach, Director of Stewardship and Development