



# Donor-Advised Funds & Impact Investing with RENEW

*Use your DAF to help move countries from poverty and dependence to prosperity*

## WHAT IS A DONOR-ADVISED FUND?

Accredited, entrepreneurial-minded givers from the United States can invest in companies with RENEW from a donor-advised fund (DAF) and have the potential of earning a return on their charitable capital. A DAF is a philanthropic vehicle administered by a public charity. Think of it as an investment account dedicated to supporting your charitable contributions over time. Once created, your DAF can generate an immediate tax benefit that helps increase your charitable impact. As a donor, you will have the opportunity to recommend where the charitable dollars in your DAF will be directed and can recommend your favorite causes, which will then receive support from the fund, either in the form of grants or investments.

## WHICH DAF MANAGERS CAN I WORK WITH?

For members of the Impact Angel Network (IAN) – accredited investors – who wish to invest in companies through their DAF, RENEW works with the following trusted DAF managers. You may also be able to make impact investments from DAFs run by other intermediaries. Email a RENEW team member to learn more.

**Impact Foundation:** An experienced intermediary that can facilitate charitable investments of \$100,000 or more. Impact Foundation was founded to provide a streamlined way to fund transformational businesses, make loans to charity, and grow the amount you have to give away. Impact Foundation has a working partnership with the National Christian Foundation to assist NCF donors in making private equity and venture capital investments.



**ImpactAssets:** An independent public charity first launched in 2001 by Calvert Foundation. The primary tool of ImpactAssets is known as the Giving Fund, an enhanced DAF that facilitates investments of \$25,000 or more and provides socially responsible and impact investment options – enabling philanthropists to both “give and invest for the greater good.”

## CAN A DAF MAKE A DIFFERENCE WITH MY TAXES?

DAF contributions result in an immediate tax deduction for those itemizing deductions. Financial returns realized through a DAF investment are returned to the DAF tax-free and can then be re-invested or donated. DAFs can also eliminate capital gains taxes and reduce marginal income taxes on donated appreciated stock.<sup>1</sup>

## HOW DO I START A DONOR-ADVISED FUND?

1. Not yet an IAN member? Email RENEW to apply for membership to the IAN. Members must be ‘accredited.’<sup>2</sup>
2. Select a DAF manager.
3. Donate cash, publicly traded securities, or other illiquid assets to fund the DAF.
4. Receive a tax deduction immediately for your charitable contribution to the fund (if you itemize).
5. Working with your DAF manager, you can choose a strategy for growing your fund.
6. Recommend a target – such as a charity or impact investment – for your philanthropic investment.

## WHAT IS RENEW’S BACKGROUND?

RENEW believes the most effective way to move a country from poverty and dependence to prosperity is to help small and medium enterprises (SMEs) grow and, in the process, unlock their potential as primary engines of job creation and economic growth. We founded the 150+ member Impact Angel Network (IAN) to provide financing, management support and access to talent to promising SMEs in East Africa. RENEW and the IAN seek to invest in great companies and provide full and productive employment and decent work for all.



<sup>1</sup> The information contained in this brief is not intended as legal or tax advice. For such advice, please consult an attorney or tax advisor.

<sup>2</sup> See SEC [definition](#).