

# Donor-Advised Funds

## Frequently Asked Questions

### About Donor-Advised Funds (DAFs)

#### What is a Donor-Advised Fund?

A Donor-Advised Fund (DAF) is a charitable investment account, administered by a 501(c)(3) nonprofit (called a sponsoring organization). Donors contribute assets to the DAF, receive an immediate tax deduction (IRS limits and rules apply), and recommend grants to their chosen charities over time.

#### Why Offer DAFs Through Axos?

- **We Custody DAF Accounts:** DAFs are held under our Tax-Exempt Organization account type.
- **You Keep Investment Control:** Manage assets and collect your advisory fee—American Endowment Foundation (AEF) and Axos do not offer competing investment strategies.
- **Flexible Asset Types:** Accepts cash, securities, and some complex assets.
- **Preferred DAF Partner (AEF):** American Endowment Foundation (AEF) supports a streamlined onboarding process.
- **Seamless Setup:** Our team and AEF work together to ensure a smooth experience from paperwork to funding.

#### Key benefits for your clients

- **Immediate Tax Deduction:** Clients can receive a tax deduction in the year they contribute, even if grants are made later. IRS rules and limits apply.
- **Eliminate Capital Gains:** Donating appreciated assets held for more than a year may eliminate capital gains taxes.
- **Tax-Free Growth:** Assets may grow tax-free, allowing for greater charitable impact.
- **Centralized Giving:** One account, many charities.
- **Lower Cost vs. Private Foundations:** More efficient, less administrative burden.

#### How can a DAF provide flexibility during high-income years?

A donor-advised fund offers the option to make a contribution and receive a tax deduction in the same year, while leaving decisions about charitable grants for the future. You can work with your clients to determine if this approach aligns with their specific situation.

### Axos Advisor Services DAF Offering

#### Can Axos Advisor Services custody Donor-Advised Fund (DAF) accounts?

Yes. Axos supports custody of DAF accounts using our Tax-Exempt Organization account type.

#### Can Axos serve as a sponsoring organization?

No. Axos does not administer DAFs. We custody assets only.

## Who can act as the sponsoring organization for DAFs custodied at Axos?

To open and administer a DAF, you must partner with a sponsoring 501(c)(3) nonprofit. Our preferred partner is the American Endowment Foundation (AEF) due to its familiarity with our forms, processes, and streamlined onboarding.

## Who owns the assets?

Once assets are donated to a DAF, legal ownership is transferred to the sponsoring organization. However, the donor and/or you, as their financial advisor, can continue to advise how the funds are invested and distributed to charities.

## Can I manage the DAF assets and charge a fee?

Yes. You maintain full investment discretion and can collect a management fee. Axos and AEF do not offer competing investment solutions, allowing you to manage client assets in alignment with a flexible investment policy.

## Is there a minimum to open a DAF?

Yes. Your clients can establish a donor-advised fund with an initial contribution as low as \$25,000, making it an accessible and flexible charitable giving solution.

## How to Set Up a DAF Through Axos & AEF

We've partnered with the American Endowment Foundation, a custodian—agnostic 501(c)(3) sponsoring organization, to simplify the onboarding experience.

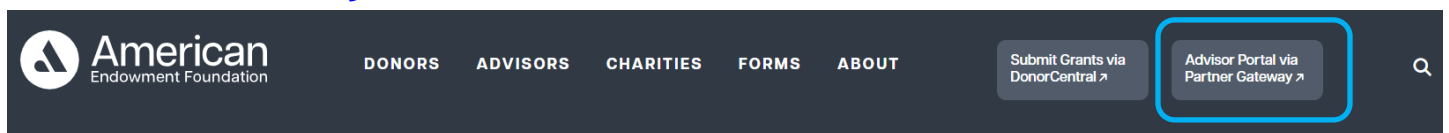
## What You'll Need

### Axos forms

- Investment & Banking Multi-Account Application and Agreement
- Beneficial Ownership Certification
- Advisor Authorization for Money Movement
- Sponsoring organization formation document
- Proof of 501(c)(3) status
- Transfer form (if applicable)
- Third-Party Export Form (to enable Clearwater feed, submitted after account opening)

## AEF Onboarding Steps

- Visit [AEFonline.org](https://www.aefonline.org) and select the Advisor Portal



- Create/log into Advisor Portal
- Review program policies and procedures
- Complete the DAF application and send to your client for e-signature
- Submit the application through the portal
- Follow the "DAF Opening Next Steps" provided by AEF

Most accounts are opened in **7–10 business days**, with transfers typically completed in **under 30 days**.

### **What if I already have a DAF at another custodian?**

#### **If the DAF is already administered by AEF:**

AEF can easily assist with moving assets to Axos. No new AEF DAF application is needed, just the Axos Investment & Banking Multi-Account Application and Agreement. For the next steps, contact AEF's Transfers Team at [transfers@aefonline.org](mailto:transfers@aefonline.org).

#### **If the DAF is held with a different provider:**

Follow the whole onboarding process outlined above.

## **Resources & Support**

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### **General Questions & Support**

Please reach out to your Client Service Advocate for support.

### **Registration/Platform Questions & Issues**

You can reach out directly to the American Endowment Foundation at [newbusiness@aefonline.org](mailto:newbusiness@aefonline.org).

### **Additional Resources**

[American Endowment Foundation Summary for Financial Advisors](#)

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#### **Investment Products: Not FDIC Insured - No Bank Guarantee - May Lose Value.**

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