



COMMUNITY
FOUNDATIONS
OF CANADA

**The Learning
Institute**



The Future of Giving: Grow and Manage Donor-Advised Funds

April 16, 2024

Welcome!

- Please use the chat box
- For the best experience, close all other applications and use 'Speaker View'
- Turn up your computer's volume
- Recording in the CFC Resource Library

Introducing



Stefan
Southwell



Jeff Conn



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The Future of Giving: Grow and Manage Donor-Advised Funds

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Session Agenda

- Introductions
- Review DAF industry landscape in the Canadian market
- Why donors choose DAFs
- Why DAFs are sustainable for Foundations
- Correlate growth in DAFs back to technology
- The Best of the Best - Diving into Best-in-Class Solutions
- Q&A





Introduction



Our mission is to empower non-profits to **grow**, **increase giving**, and **create impact** in their communities through technology.



NPact's Foundation Cloud accelerates your philanthropic impact by providing **efficient** and **scalable** donor advised fund management, grantmaking and scholarship processes.

Foundation Cloud was designed, developed, and produced by **industry experts** with 20+ years of experience working with and in Foundations.



About BAASS Business Solutions



BAASS Business Solutions Inc. is a provider and implementer of accounting and business management applications for small and medium size organizations in Canada, US and the Caribbean.

As a full-service technology consulting firm, we can offer, implement, and support end-to-end solutions that work for our customers now and in the long term.

35 years of experience

6,000+ Sage Clients

150+ Team Members

5,000+ Implementations

15 Offices across Canada

40+ Marketplace Solutions

#1 Sage Partner in Canada

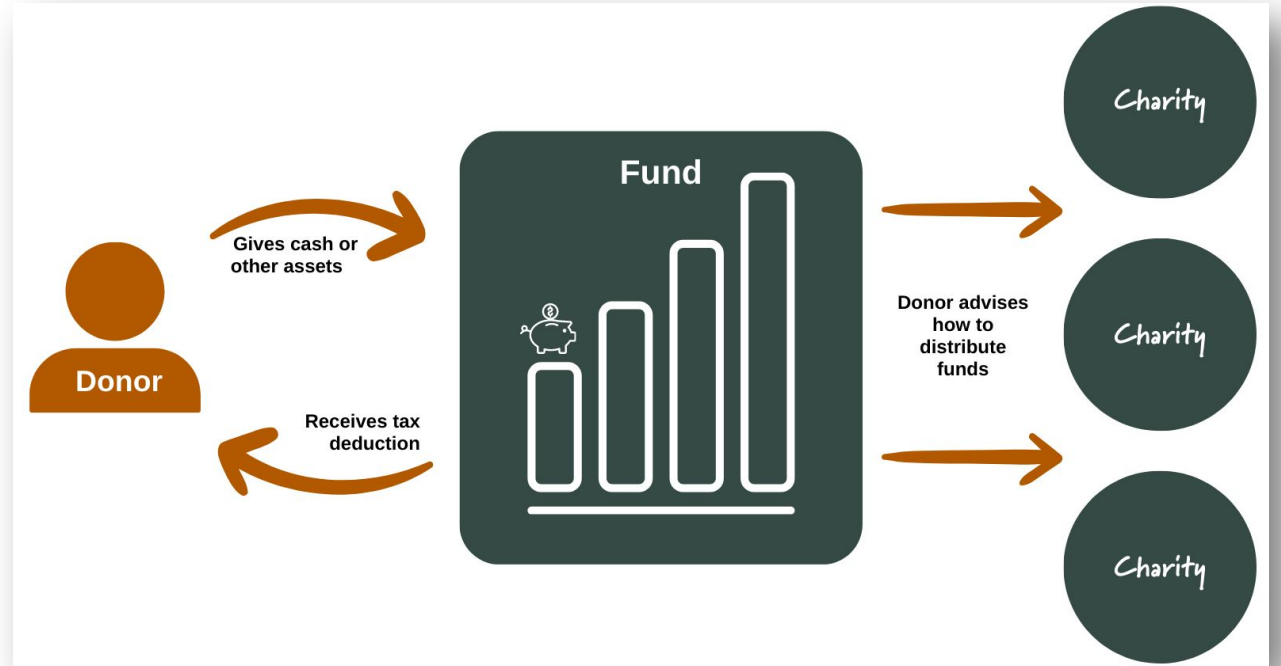


DAF Industry Landscape in the Canadian Market

What Are Donor Advised Funds (DAFs)?

A DAF is a philanthropic tool:

- Fundholders (donors) make charitable contributions into their fund
- Funds are managed by investors and earn income gains/losses
- Immediate tax benefit for the donor
- Fundholder recommends grants to the organizations of their choice from the fund over time



Canadian DAFs By The Numbers

- Total assets held in DAFs at the end of 2021 were **\$8.5 billion** - an increase of \$3.1 billion over the three-year period under review.
- Donation flows into DAFs in 2021 were **\$2.2 billion**.
- **88,838 grants** were made by DAFs in 2021, an average annual increase of 15.2% from 2019.
- The average individual grant was \$10,379 in 2021.
- In 2021, 6 foundations established 100+ DAFs (highest being 412)

[Influence, Affluence, & Opportunity: Donor-advised Funds in Canada Report](#)



DAF Market Insights In Canada

- The granting rate and flow rate for DAFs in Canada are lower than those in both the US and UK, which points to additional **opportunity for impact from Canadian DAF dollars in the future.**
- The distribution of the DAFs for 2021, in terms of numbers of funds - **Community Foundations with the largest percentage.**
- Smaller community foundations are reacting to the changing dynamics within the donor community and adding DAFs to the range of funds offered to their supporters.

Figure 2: Distribution of DAFs (numbers) by Category 2021

Community	36.4%
Financial Institutions	28.4%
Independent	25.4%
Faith-based	9.8%

[Influence, Affluence, & Opportunity: Donor-advised Funds in Canada Report](#)





Why donors choose DAFs

Advantages for Donors

- Donors gain greater control over their donations
- Cost Effective
- Provide Long-Term Strategy
- Donor Privacy





Why DAFs are sustainable for Foundations

Foundations Operate Differently than Other Non-Profits

Characteristics	Foundation	Non-profit
Business Model	<ul style="list-style-type: none"> • Community or interest-based • Asset gathering - generates assets and pools donations for general fund • Charges fees based on Assets under Management (AUM) 	<ul style="list-style-type: none"> • Cause-based • Relies upon annual donations for operating budget • Spends recurring gifts raised
Financial Structure	<ul style="list-style-type: none"> • Donor advised fund • Endowment with accompanying investments and asset pools • Spending requirements 	<ul style="list-style-type: none"> • Does not invest assets • Spends on mission driven programs
Grants/Scholarships	<ul style="list-style-type: none"> • Makes grants to other non-profits • Significant program complexity (DAF, Endowment, Competitive Grant/Scholarship) 	<ul style="list-style-type: none"> • Does not grant to other non-profits • Receives grants to further its mission
Primary Funding Sources	<ul style="list-style-type: none"> • Individual donors 	<ul style="list-style-type: none"> • Individual donors • Community/private foundations, private foundations • Government • Corporate donations





The Best of the Best – Diving into Best-in-Class Solutions

DAF Workflow Utilizing Best In Class Solutions



Donors

Anyone can be a donor and contribute a gift, small or large.

CRM



Donor Engagement

We work together with donors to help you realize your philanthropic goals, matching your interests with community needs.

CRM



Make a Contribution

We work with you to establish a new endowment fund or give an existing fund.

CRM
Foundation Cloud



Investment

Your gift is pooled with our endowment assets, invested through careful stewardship and income is used to make grants.

Foundation Cloud



Grants

We distribute grants to all corners of the community in arts and culture, education, health, social services, and the environment.

Foundation Cloud



Community Impact

We invest in many ways: grants, building partnerships, and pooling knowledge, resources, and expertise to stimulate ideas and strengthen the community.

Sage



Leveraging The Power of Technology

Real-time access to data



Better Informed Business Decisions

Cloud Accounting



Flexibility, Business Continuity

Automate Key Accounting Processes



Save Time and Reduce Costs

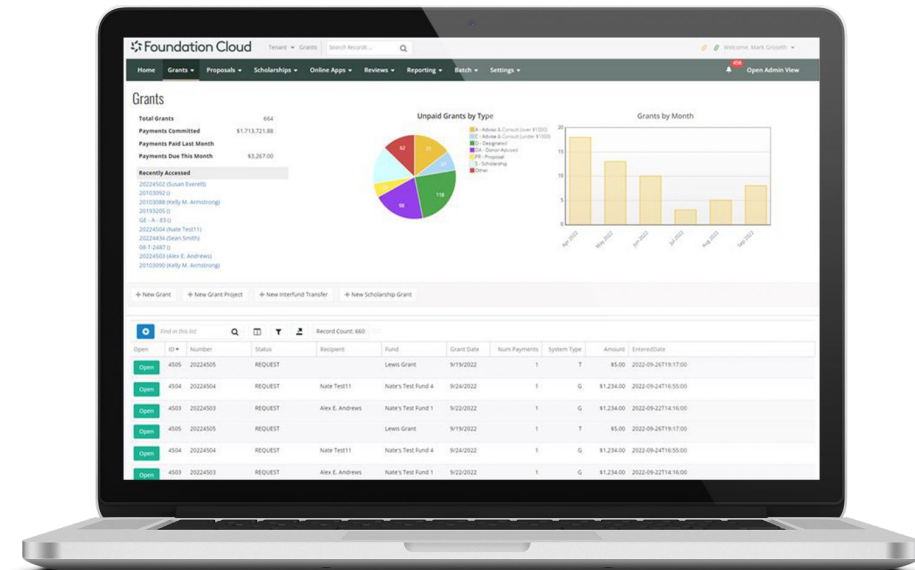
Our Solution: Foundation Cloud

NPact's Foundation Cloud gives you the tools to make informed and strategic business decisions that drive philanthropy. From donor development, fundraising, and stewardship to funding projects in your community.

Foundation Cloud is our **flagship application suite** comprised of **Foundation Cloud Grants** and **Foundation Cloud Community Portal**.

Unique Features for the Canadian DAF Market:

- Donor Portal in French
- Integration with Canadian Charity Check coming Q1 2025



Our Solution:

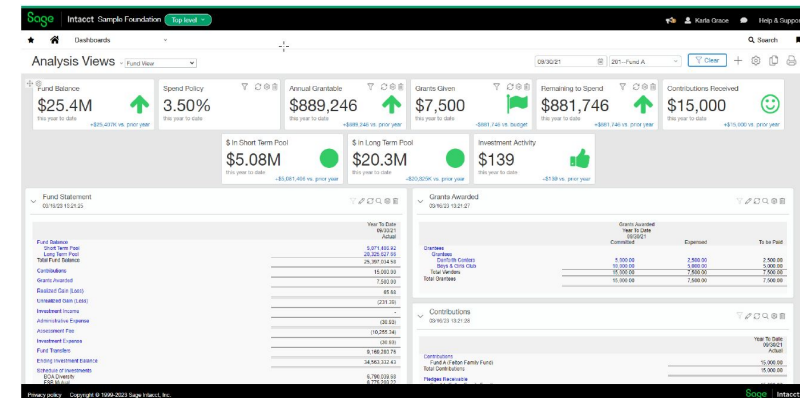


Sage Intacct gives you real-time visibility and insights into your funds, gifts, grants and more. Whether you focused on tracking funds from inbound gifts, managing various shared investment pools, or administering outbound grants, we've built our accounting software with you in mind.

Sage Intacct dimensional general ledger allows for easy fund accounting and tracking of operational metrics. Includes helpful tools like dynamic allocations and our Fund Fee Management utility to automate manual processes.

Unique Features for the Canadian DAF Market:

- Built for the Canadian market
- French Language Pack



Best-in-Class Integrated Solution Powering DAF & Grant Management





Questions

We're just an email away!

For more information on how to kick start your Digital Transformation with Sage Intacct & NPact – connect with **Stefan Southwell** ssouthwell@baasss.com or **Krissy Murillo-Vaio** kmurillo@npact.com.

We'll also be in touch after the webinar with those who have opted in to receive a recording of this webinar and a copy of the presentation.

