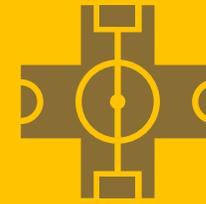


Demystifying DAFs

How to nurture relationships with Donor Advised Funds (DAFs)



Joanna Roberts
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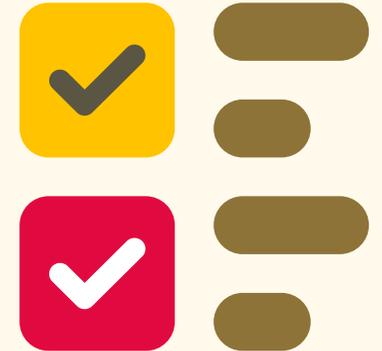


What is a DAF?



Key features of a Donor Advised Fund (DAF)

- A tax-efficient fund set up within a non-profit entity to manage and distribute a donor's charitable giving.
- Assets in a DAF can be invested in the markets to target tax-free returns and add to future granting capacity.
- DAF offers the benefits of setting up a private charitable foundation without the administration or costs involved.
- Contributions into DAF are irrevocable and include cash, shares, investments or other assets like property or land.
- Receive Income Tax, Capital Gains Tax or IHT relief and Gift Aid, depending on the asset and donor eligibility.
- www.stewardship.org.uk/blogs/donor-advised-fund-model-explained



Why are donors increasingly choosing DAFs?

- Enjoy easy, flexible giving without **administration**
- Lock in charitable gift by a **tax deadline** and then take time to consider strategy
- Support **overseas** causes with Gift Aid
- Easy collation of year-end **tax information** for higher or additional rate payers
- Turn **bonus income** into regular support for a cause
- Build a **balance** to continue giving in retirement or respond to appeals
- Discretion and optional **anonymity**
- Have gifted funds **invested** to maintain future granting capacity



Why are donors choosing DAFs over a charitable trust?

- **Immediate setup** with streamlined administration
- **No trustees** required and no burden of legal liability
- **Lower operating costs** - DAF provider claims Gift Aid and reports to HMRC, Charity Commission and Companies House
- Discretion and optional **anonymity**
- No requirement to open a dedicated **bank account**



UK Donor Advised Fund market

Contributions
£852.6m



Stewardship 
Active generosity

Balances
£2.8bn



Average industry payout rate
25%

Grants out
£645.4m

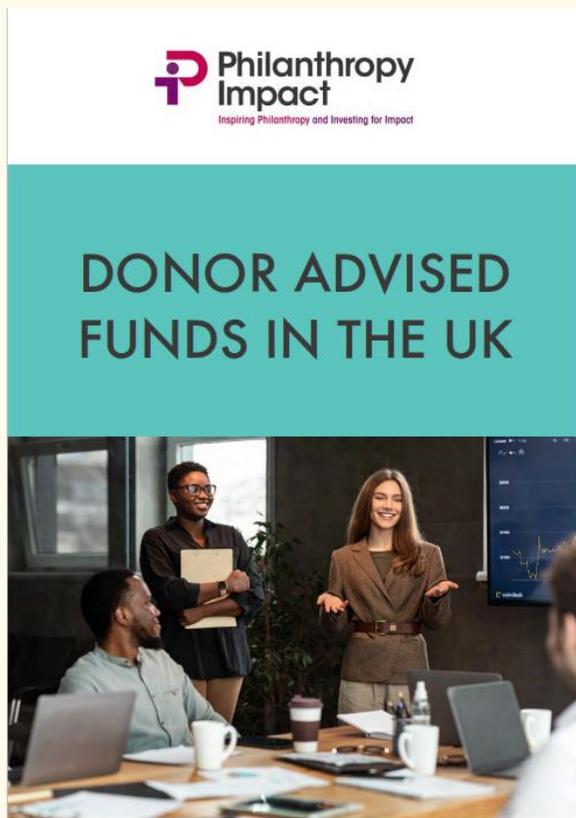


Stewardship payout rate
57%

Source: NPT UK DAF report 2024. Payout rate defined as percentage of DAF assets granted out to causes on an annual basis.

[Philanthropy Impact's Report on DAFs](#)

UK DAF market has grown 130% in 5 years



- **Training for MD fundraisers:** Bridging the gap between the fundraising and professional advice communities – 28 Jan, 9am-noon
- **Networking events:** Recent events have featured panellists from CAF, C.Hoare & Co, Prism the Gift Fund and Stewardship
- **Events:** www.philanthropy-impact.org/events
- **Podcast:** Recent back-catalogue includes interviews with Stewardship CEO Janie Oliver
- **Subscribe** to Stewardship's Impact newsletter



2

How can a DAF help
your charity?



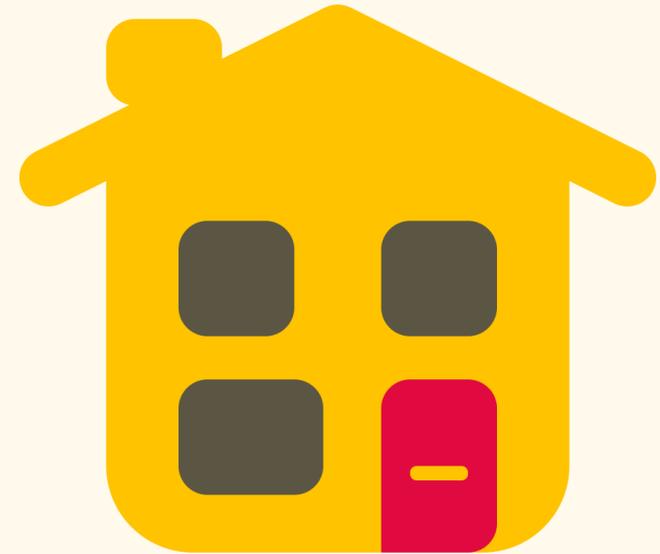
Why DAFs are good for charities

- DAF donors are committed philanthropists with **balances** ready to donate.
- We **lift the administrative burden** off the donor, making it likely that they'll give more.
- We can administer **legacy gifts** – particularly efficient if a donor wants to remember multiple charities in their will.
- **Involving the next generation in philanthropy** – DAF offers flexibility, for example sub-funds for young adults or a Stewardship Donor Advisory Board to formalise their involvement.



Why DAFs are good for charities

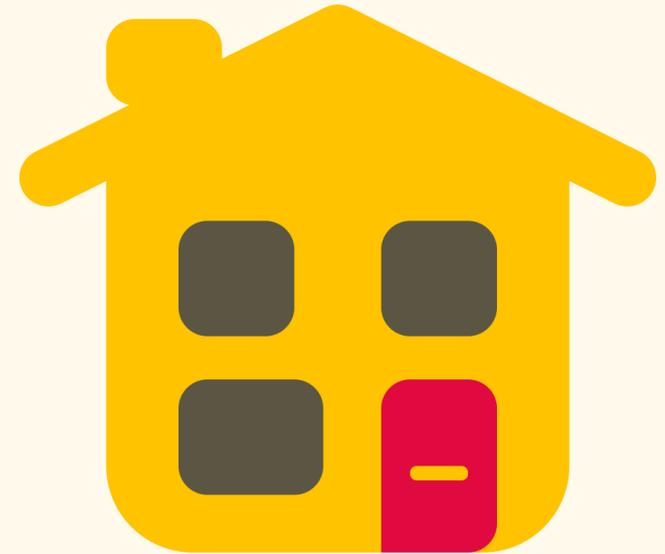
- We can facilitate **non-cash gifts**, so donor can fund their giving with **listed shares, land or a second home/buy-to-let** – these can be split between multiple charities or granted to charities without the resources to handle these gifts.
- Again, by helping donors achieve **Income Tax relief** (property value deducted from donor's taxable income, achieving relief at up to 45%) and **Capital Gains Tax exemption** (increasingly valuable with reduced Annual Exempt Amount and increased CGT rates) it can make it more likely that donors will give more.
- www.stewardship.org.uk/blogs/boost-your-charitable-impact-non-cash-giving



Why DAFs are good for charities

- We can help **build your relationship** with a donor who wants to remain anonymous, for example through videos, stories and messages of thanks
- We can **showcase your impact** on our customisable **online fundraising** pages
- We're producing free helpful guidance, advice and insight through our newsletters – in Stewardship's case, **Sharpen** quarterly newsletter for charity leaders and **Impact** quarterly newsletter for philanthropists, which might have some insights. Other DAFs may have their own newsletters.

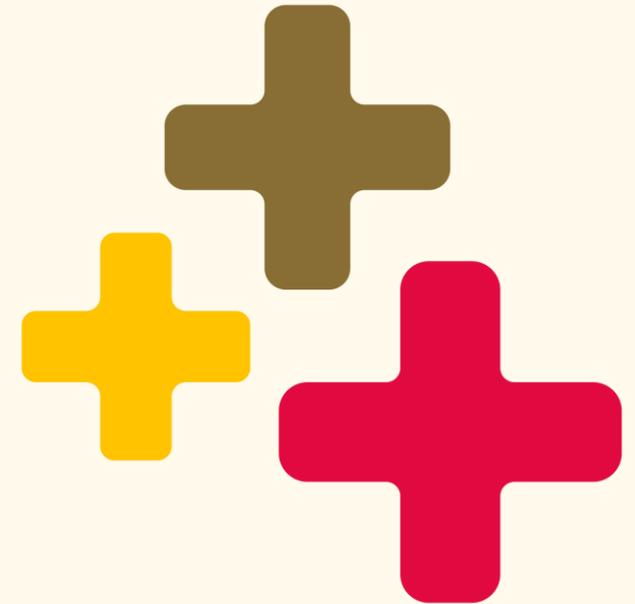
<https://www.stewardship.org.uk/subscribe>



How your charity can engage with DAFs: Is your governance seen to be up to date?

Due diligence – Make a DAF's due diligence process easy and inviting by making sure all your charity governance is seen to be up to date:

- key policies in place, updated and recorded on the Charity Commission website
- accounts returned in timely manner
- good number of trustees with a breadth of knowledge, experience and skills



How your charity can engage with DAFs: Is your website DAF-friendly?

Donor Advised Funds (DAFs)

DAFs are becoming an increasingly popular way to give, since they offer:

- immediate tax benefits,
- flexibility in granting,
- simplified record-keeping.

For Current DAF Holders - If you would like to donate via your DAF account, please contact your DAF provider directly and request that they issue a grant to Fight for Sight, Charity Number: 1111438.

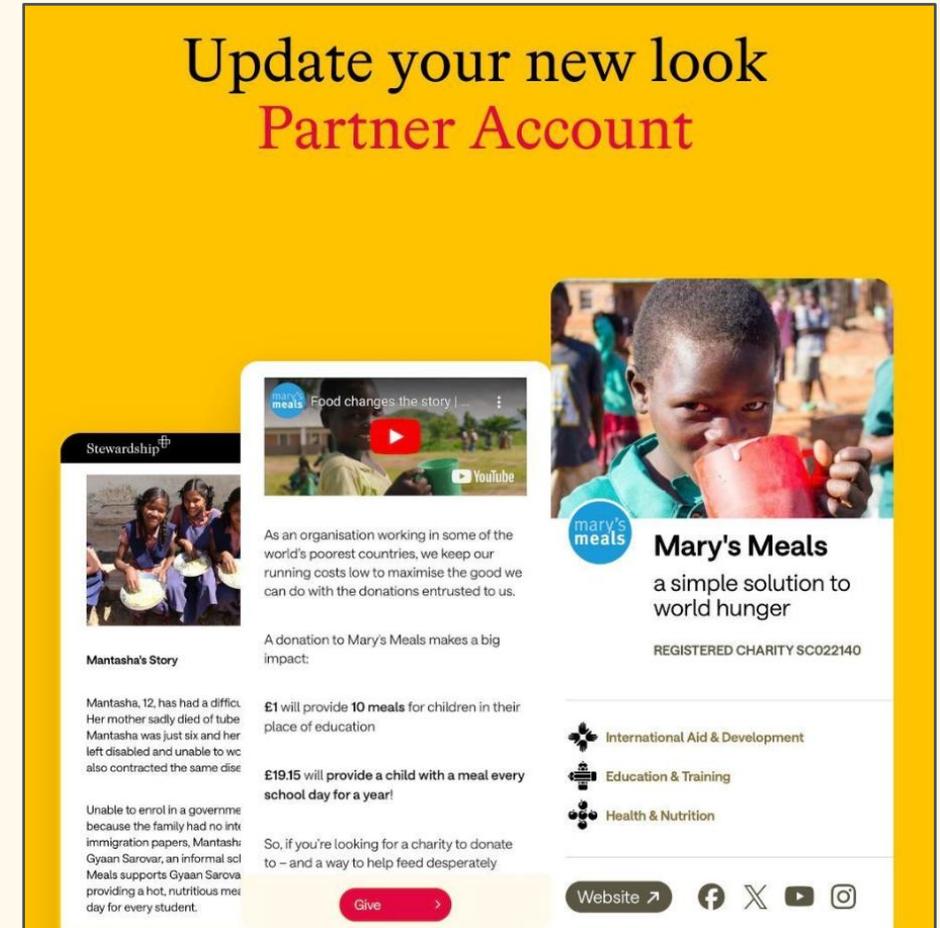
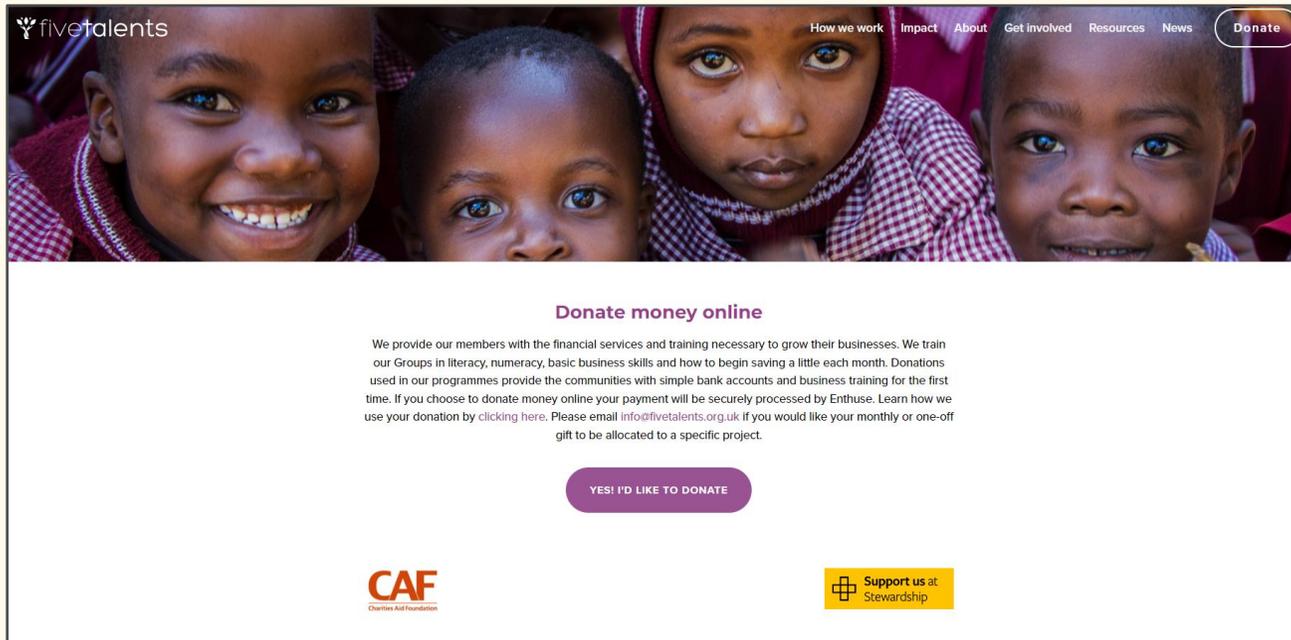
For those who are new to DAFs – Below you'll find some leading facilitators in the UK:

- CAF (Charities Aid Foundation)
- Prism the Gift Fund
- NPT UK (National Philanthropic Trust)
- Stewardship



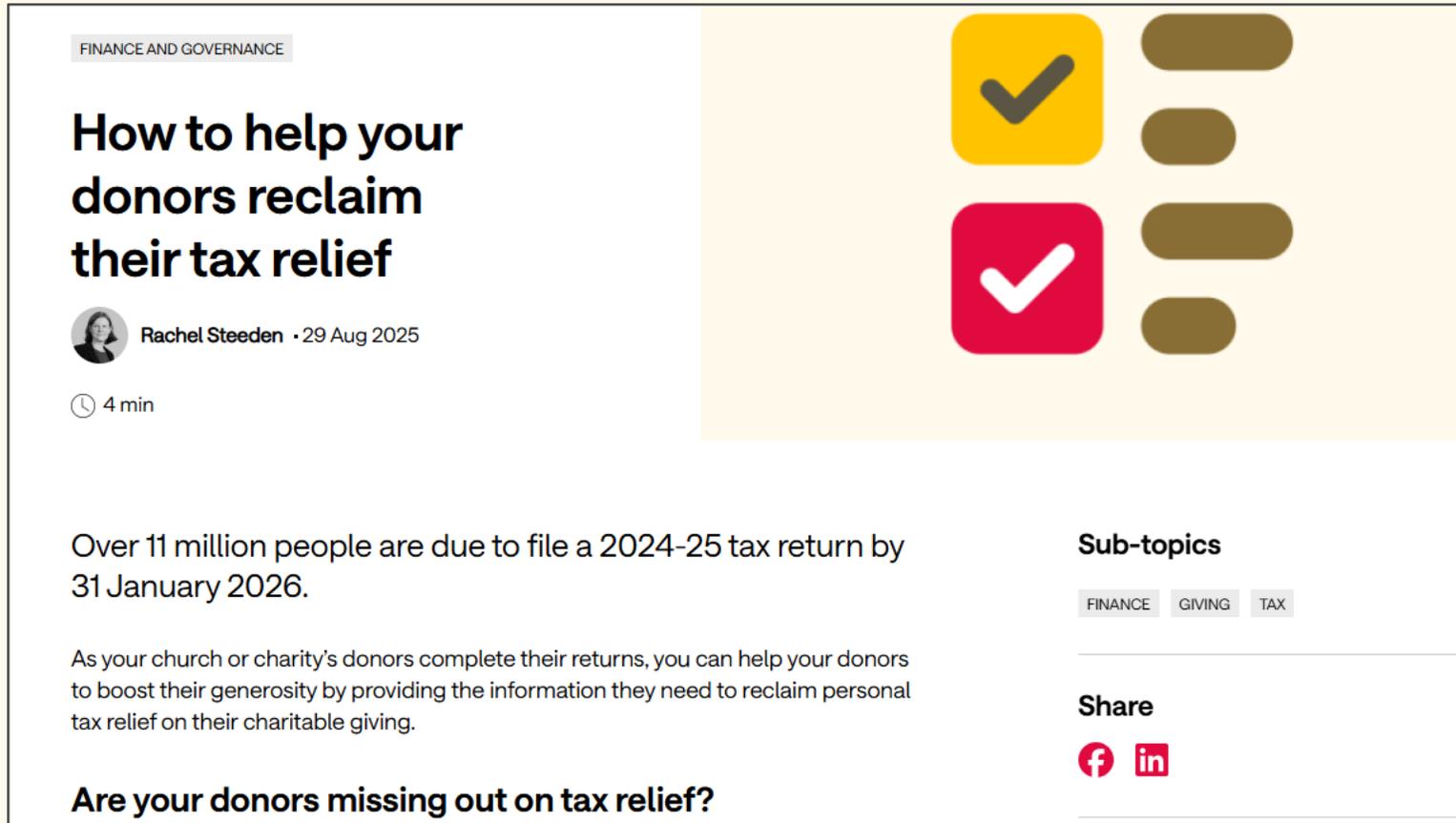
How your charity can engage with DAFs: Giving buttons and partner accounts

- Update your profile page with stories, images and videos.
- Use our giving button on your giving page.



How your charity can engage with DAFs: Build links with DAF teams

- **Engage with their thought leadership** – on LinkedIn, reading, sharing, commenting and following-up with us on blog content, conference speaking engagements or podcasts.



FINANCE AND GOVERNANCE

How to help your donors reclaim their tax relief

Rachel Steeden · 29 Aug 2025

4 min

Over 11 million people are due to file a 2024-25 tax return by 31 January 2026.

As your church or charity's donors complete their returns, you can help your donors to boost their generosity by providing the information they need to reclaim personal tax relief on their charitable giving.

Are your donors missing out on tax relief?

Sub-topics

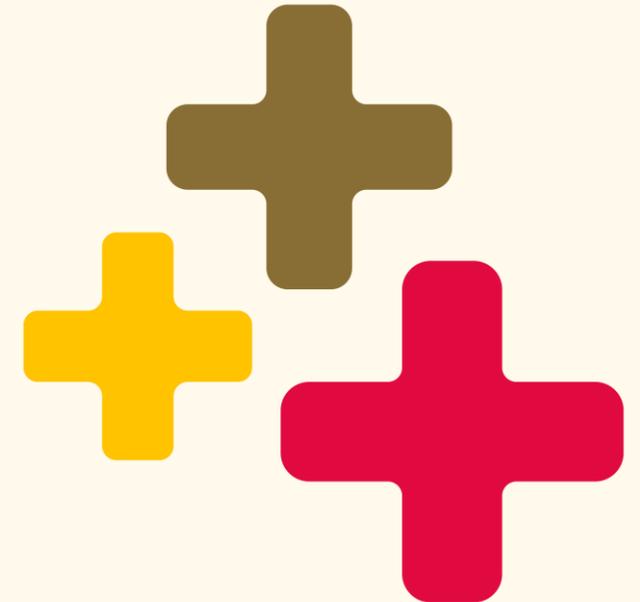
FINANCE GIVING TAX

Share

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www.stewardship.org.uk/blogs

www.stewardship.org.uk/podcast

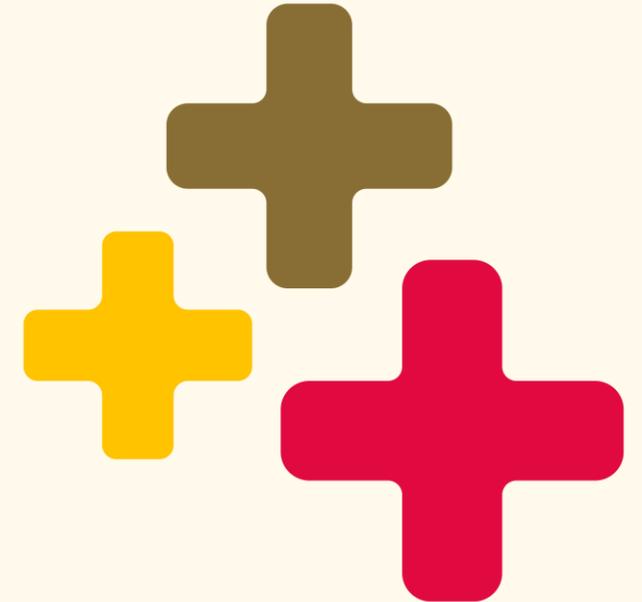


How your charity can engage with DAFs: Build links with DAF teams

- **Invite them to your events** – extending the invite to their Relationship Managers as well as to interested donors.
- **Keep your eyes peeled to attend their events** – for example, Stewardship’s Cause Cross events.

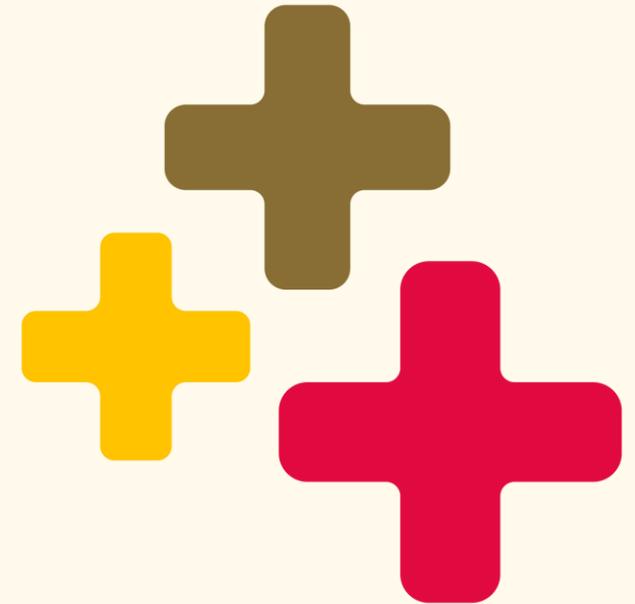
“What a wonderful event this was. I thoroughly enjoyed it, and loved hearing all the amazing work being undertaken. Very inspiring all round. It was an important conversation, but also a very liberating space in which we could share freely.”

Karen Gibson, MBE
Founder and Conductor, The Kingdom Choir



How your charity can engage with DAFs: Tailored stewardship plans

- **Donor stewardship** – plan how to respond when gifts come from a DAF account, for example:
- tailored thank you emails sent via the DAF team
- hard copy thank you letters posted to their office and passed on to clients
- short personalised thank you videos
- **Don't be afraid to ask the DAF for guidance on how to approach your 'thank you'** – they know their donor, including what is likely to be well-received by them.





Some of the most meaningful and appreciated interactions have been personal messages from the heart of a CEO on what the grant has meant to them personally as one leading, and the outcomes and impact can come at a later date.

- Stewardship Grants Manager

DAF trends

- **Social investments** – pending grant-making or to multiply impact:
 - loans to charities – for property purchase, crisis resolution or scaling up impact
 - investments in social enterprises or businesses with a missional purpose
- **Non-cash giving** – highly tax-efficient, yet under-utilised.
- **Trust transfers** – merging a charitable trust into a DAF account to reduce the burden on elderly trustees, cut disproportionate admin costs or because of challenges maintaining a bank account.



Products and services

For givers

Giving Account

Activate your giving and increase the impact of your gifts.

Donor Advised Fund

A dedicated account for those giving over £25,000.

Philanthropy Fund

A personal service for those establishing a charitable fund of £500,000 or more.

For partners

Partner Account

For Churches and Charities

Manage your donations and fundraising pages, reduce admin time, get Instant Gift Aid and connect with a community of generous givers.

Partner Account

For Individuals

As a Christian worker, make raising financial support simple and realise your vision.

Consultancy Helpline

We'll guide you through governance, finance, property issues, HR situations, insurance questions and more, all for a low annual fee.

Accounts Examination

A personalised service taking your specific needs into account, including independent examinations and account preparation.

Payroll Bureau

Delivered by an award-winning team of Christian professionals, we'll administer your payroll so that you can focus on your mission.

Church Planting

Whatever stage you're at, we're here to partner with you and help you become a healthy, sustainable and missional church.

Loans

For Churches and Charities

We help churches and charities achieve their vision by providing finance for building projects. We also support you through the process as a strategic partner.

Charity Formation

Let our team of experts take care of your application. We'll help register your church or charity with the Charity Commission so that you can focus on your vision.



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Questions?



Thank you

Whilst every care has been taken in the preparation of this material, Stewardship cannot be responsible for action taken or refrained from in reliance thereon. It is recommended that appropriate professional advice be sought in each relevant individual circumstance.



Higher/ Additional Rate Gift Aid

£25/£31.25
per £100



HM Revenue
& Customs

Basic Rate Gift Aid

£25 per £100



Gift



Stewardship

Donor Advised
Fund

Grants

