



Design Your Giving to Maximise Your Impact:

A Focus on Donor-Advised Funds

Published: November 2022

*This Philanthropy Guide is brought to you by
the Wealth Management Institute and the
Private Banking Industry Group*

Contents

06



About this
Guide

08



Having a
Strategy to
Organise Your
Giving

12



Leveraging
Donor-Advised
Funds in Your
Giving Portfolio

18



Donor-Advised
Funds in
Singapore

22



Other
Philanthropic
Vehicles and
Tools

25



ANNEX:
Overview
of DAF
Sponsoring
Organisations
in Singapore

Acknowledgements

We would like to thank the teams at WMI, the Community Foundation of Singapore, SymAsia Foundation, UBS and the Asia Community Foundation for their contributions to this Guide.



Foreword by
the Wealth Management Institute (WMI)

Foo Mee Har, CEO, WMI

With rising wealth in Asia and the growth of family offices in Singapore, there is a tremendous opportunity to take a decisive step forward for philanthropy in Asia, to do good and help secure the best future for the coming generation.

To support a vibrant family office community, in 2021 WMI launched the Global-Asia Family Office Circle (GFO Circle) with the support of the Singapore Economic Development Board and the Monetary Authority of Singapore. Our goal for the Circle is to create a trusted environment for the family office ecosystem to convene, learn from each other and access the latest thought leadership. We also aim to galvanise purposeful wealth to help tackle some of the most pressing societal issues of today, and philanthropy is a key pillar of this effort.

Philanthropy is a journey on which we all go further together. In this regard, WMI is very grateful to the Private Banking Industry Group for their strong partnership. We also look forward to working with you, as philanthropists and readers of this Guide, to make a greater impact. Together, we can be a great force for good in Asia and the world.

A Donor-Advised Fund is a useful tool to help you plan your giving and further its impact. We hope that you find this Guide helpful as you travel on your own philanthropic journey.

Foreword by

the Private Banking Industry Group (PBIG) Philanthropy Workgroup

Workgroup Members: BNP Paribas (Chair), Bank Julius Baer, Bank of Singapore, Credit Suisse, DBS, HSBC, J.P. Morgan, LGT, Pictet and UBS

Today, the world faces many pressing challenges, from pandemic recovery to climate change to rising inequality and instability. Philanthropy can be a critical source of support and a catalyst for actions to build a more resilient and sustainable world. In turn, philanthropists and wealth owners have the opportunity to grow their impact and inspire others to dream bigger.

As part of the Financial Services Industry Transformation Map 2025, the Monetary Authority of Singapore (MAS) aims to develop Singapore into a philanthropy centre in Asia. MAS is working with other government agencies and industry stakeholders to encourage high-net-worth individuals and family offices to set up philanthropic foundations in Singapore, identify deserving causes in the region, and enable donors to better track the impact of their giving. Alongside MAS, the private banking industry in Singapore is equally committed to playing our role in facilitating wealth owners in achieving their philanthropic goals.

To the wealth owners reading this, we know that it is important for you to have a holistic approach to wealth and succession planning, and philanthropy is becoming an increasingly integral component for many of you. We are pleased to partner with the Wealth Management Institute (WMI) to bring you this Donor Advised Funds (DAF) guide. A DAF is one of many philanthropic structures to consider as you plan your legacy. With this guide, we hope to provide you with valuable insights as you navigate through the different structures to determine the right fit for your philanthropic goals and needs.

To connect communities and create awareness of giving opportunities, MAS, the Private Banking Industry Group (“PBIG”) and WMI are working to establish the ‘Impact Philanthropy Partnership’ (IPP). IPP aims to generate interest in philanthropy among family principals and offices and bring them together to collectively tackle society’s most pressing issues. This guide is a prelude to the Impact Philanthropy Discovery Series of events and publications that the IPP will embark on, to provide learning opportunities and thought leadership on issues where family offices can make the most impact. We look forward to doing more to create an ecosystem capable of uplifting societies both in Singapore and abroad.

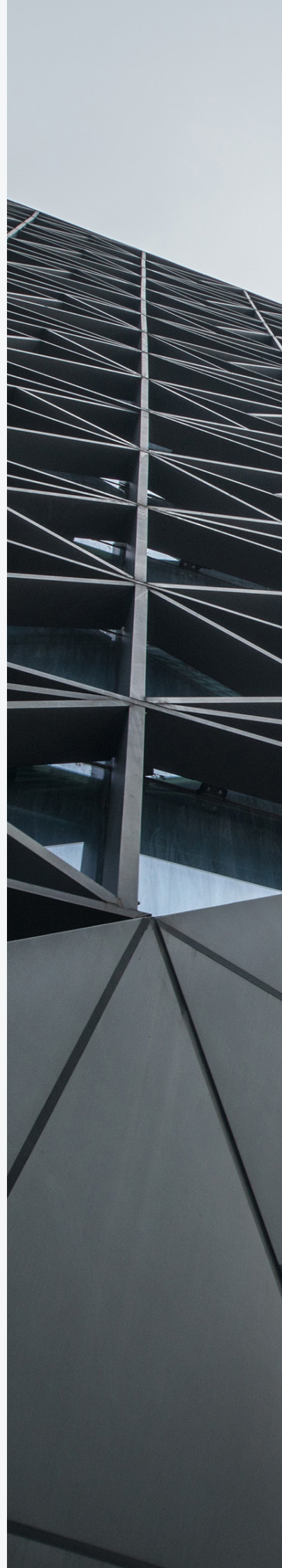
About WMI

Established in 2003, the Wealth Management Institute (WMI) is committed to building capabilities for investing in a better tomorrow. Founded by GIC and Temasek, our vision is to be Asia's Centre of Excellence for wealth and asset management education and research. WMI is appointed as Singapore's Lead Training Provider for Private Banking by the Institute of Banking and Finance Singapore (IBF) and supported by the Monetary Authority of Singapore (MAS). WMI also helms the Global-Asia Family Office Circle, a network platform that fosters a trusted environment to build capabilities and community in the family office sector.

WMI provides a comprehensive suite of practice-based certification and diploma programmes, and collaborates with leading universities for Masters qualifications. With over 18,000 annual enrolments, WMI provides training in asset management, wealth management, family office, compliance and risk management across more than 100 programmes.

About the Private Banking Industry Group

The Private Banking Industry Group comprises senior industry leaders and representatives from the private banking industry. It was re-constituted from the Private Banking Advisory Group in 2011, with the support of the Monetary Authority of Singapore (MAS) to further strengthen the competency and market conduct standards of the private banking industry in Singapore. The Private Banking Industry Group Executive Committee comprises the Association of Banks Singapore (ABS) and 14 banks, and is co-chaired by MAS and an industry representative from one of the 14 banks.







About the Guide

Today, over a trillion dollars of private philanthropic capital – more than triple the annual global development and humanitarian aid budgets combined – is deployed every year¹. With wealth in Asia growing rapidly, Asian philanthropists are increasingly becoming significant players in the philanthropic scene. As they organise their family and business structures under family offices, the deployment of philanthropic and social capital has become a primary mandate. Family Principals, in particular the next generation, are looking for new and innovative ways to make a meaningful difference. They seek to give more strategically, increase their impact, collaborate with other philanthropists, and make philanthropy an integral part of their overall wealth planning and asset allocation and distribution.

Against this backdrop, philanthropists are considering different philanthropic vehicles and charitable giving tools to help them plan, structure, and implement their giving strategies. One such tool, the Donor-Advised Fund (DAF), has seen a significant surge in adoption globally and is growing in popularity in Singapore.

This Guide introduces the Donor-Advised Fund and highlights several philanthropic vehicles and tools available in Singapore.

¹Source: Cambridge Judge Business School, Centre for Strategic Philanthropy: <https://www.jbs.cam.ac.uk/faculty-research/centres/strategic-philanthropy/>



Having a Strategy to Organise Your Giving

The practice of effective and meaningful giving is an art and a science. While data, best practices, and tools are available, philanthropy is inherently personal and driven by passions and interests. Any approach must take into consideration a balance between the heart and the head. Before considering any philanthropic vehicle, you may wish to clarify your goals: what is it that you want to change, the effort you wish to expend, the dollar amount you wish to invest in the issue or project, whom you want to collaborate with, and the means you have to achieve them.

Starting with a clear **giving strategy** can help enhance the impact of your giving and provide you with a structured approach that incorporates the various factors that are important to you. In developing your giving strategy, it may be helpful to consider the questions below.

1. What are your impact goals?

First, articulate why philanthropy is important to you and what inspires you to give. It may be an expression of your family values, a means to give back to a community or institution that has supported you, or a motivation to solve an injustice. This inspiration is often deeply personal and will guide and sustain you on your philanthropic journey.

Next, define what success will look like for you. The clearer you can be about the type of impact that you want to see, the easier it will be to organise your giving to achieve it. For example, consider your vision for success in both the long term and short term, and how you will measure success.

2. Which causes and organisations do you want to support?

Defining your impact goals will help you narrow down the causes that mean the most to you, such as healthcare, education, environment, culture and the arts, financial inclusion, or more.

Next, decide what type of organisation you want to support. Are you looking to support an established charity that has a proven programme in place, or a small but innovative organisation that has a new take on an issue?

You may want to create a portfolio of different causes to support different organisation types and across different geographies. You may also want to research where your support can create the most impact in the field.

You may also want to consider the tax considerations involved in supporting different types of organisations. For example, in Singapore, many charities have an IPC (Institutions of Public Character) status, which enables the donor to receive a 250% tax deduction for qualifying donations.

3. What types of assets do you want to give?

Charitable giving does not have to be limited to cash grants. Some philanthropic vehicles can incorporate different assets, such as publicly-traded securities or real estate.

Not all charitable organisations have the capabilities to accept these gifts. For non-cash assets, consider if the recipient may have the resources and expertise needed to evaluate, receive, process, and liquidate the asset.

Remember that giving financial assets is not the only way to support a charity. There are also intangible assets that you have that you can share. One useful framework is the 6Ts of giving² :



While 'Treasure' is often what first comes to mind in terms of giving, there are many other ways you can make an impact too.

4. What is your cost appetite?

Cost is a key consideration that will impact the type of philanthropic vehicle you select. For example, having a private foundation will require significant costs for set-up, administration, and the hiring of foundation staff.

5. Who will be managing it?

As a donor, how involved do you want to be? Some philanthropists want to be intimately involved in each key decision, from set-up to grantee selection to impact measurement. Others may be comfortable handing this to their philanthropy team or family office. Or maybe you prefer a hybrid approach. It is essential to consider the organisational structure, governance and capacity required.

² PS360 Notebook, Purpose School, 2021.

6. What is the lifespan of your philanthropic vehicle?

Not all philanthropic vehicles need to live forever. Some vehicles are designed to run into perpetuity, but not all need to. For example, the Bill and Melinda Gates Foundation has announced publicly that it will spend down all its assets within 20 years of the death of the founders.

7. What are your estate, tax, and financial planning considerations?

For your philanthropy to have a lasting impact, your giving strategy must be an integral part of your estate, tax, and financial planning. It may also become a critical part of your 'impact' portfolio, together with other initiatives such as impact investing or sustainable investing.

With a clear understanding of the above, you will be well-placed to decide which philanthropic vehicle would be most suitable for your needs.



Leveraging Donor-Advised Funds in Your Giving Portfolio

A Donor-Advised Fund (DAF) is a philanthropic vehicle where you make an irrevocable contribution to an organisation such as a DAF sponsor or philanthropy advisor, that administers the grant. Sponsoring organisations can be a commercial fund provider created by a financial firm, a community foundation, a university, or any other non-profit that can administer DAFs. The concept of a DAF as a “philanthropic checking account” has gained substantial traction around the world in recent years.

For example, in the US, (NPT): National Philanthropy Trust (NPT)³ reported that contributions to DAFs reached an all-time high of USD 47.9B in 2020. This continues a strong upward trend, where grants to DAFs have grown by an annual average rate of over 18% in the past decade.

The number of DAFs has grown in tandem, passing 1 million DAFs for the first time in 2020, more than tripling since 2016. In this period, the value of charitable assets under management by DAFs nearly doubled from USD 86.6B to USD 159.8B. In recent years, funds affiliated with investment managers such as Fidelity, Schwab, and Vanguard have become significant players in the US. In 2020, the most prominent player, Fidelity Charitable, received grants that were nearly three times the amount of donations to United Way, the largest operating charity by donations⁴.

In the UK, DAFs have also seen substantial growth, with contributions to DAFs reaching GBP 610 million in 2020, growing from GBP 354 million in 2016 . Other countries, such as Canada and Australia, have also seen growing popularity of DAFs or similar vehicles.

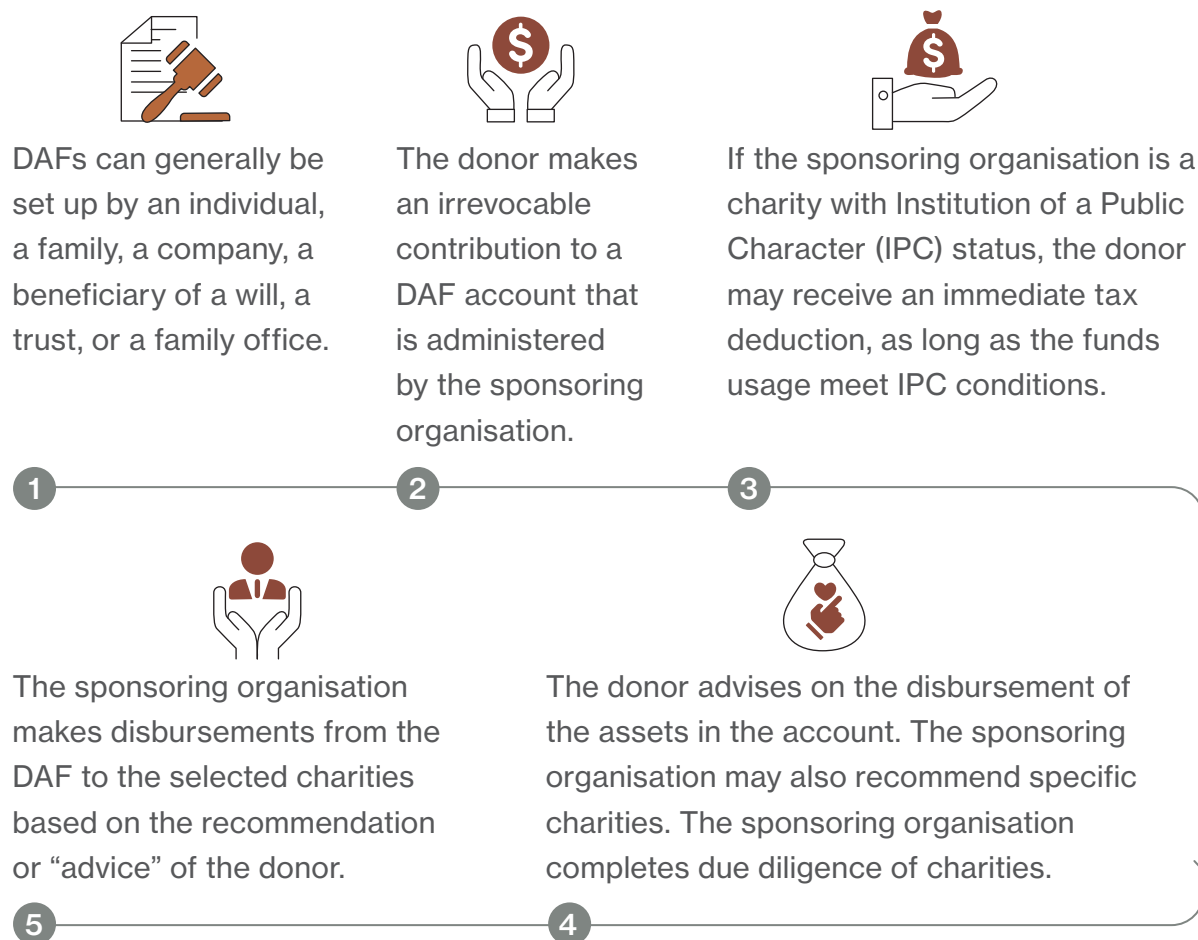
In Asia, the concept of DAFs is still relatively new. However, many family principals and family offices are increasingly considering DAFs as they look for a more structured approach to managing their charitable giving, as an alternative to setting up their charity or foundation.

³ US National Philanthropic Trust 2021 DAF Report: <https://www.nptrust.org/reports/daf-report/>

⁴ From Fidelity Charitable Giving Report 2022: <https://www.fidelitycharitable.org/content/dam/fc-public/docs/insights/2022-giving-report.pdf> and The Chronicle of Philanthropy: <https://www.philanthropy.com/article/americas-favorite-charities-2021>

How do DAFs work?

Below are the key steps in how a DAF works.



The sponsoring organisation typically handles all the administration required to manage the DAF, so that donors will save on administrative expenses and enjoy tax deductions upfront. Donors may also receive periodic statements tracking incoming donations to the DAF and outgoing disbursements to charities, facilitating easier management of their giving.

⁵ National Philanthropic Trust UK: <https://www.nptuk.org/wp-content/uploads/2021/12/2021-DAF-Report-UKN.pdf>

One critical point to note is that once the funds are donated to the sponsoring organisation, this decision is irrevocable and the sponsoring organisation now legally owns those assets. The donor retains advisory privileges regarding disbursements (including recipients, grant amounts, and timing), hence the name 'donor advised'. In practice, the donor has a considerable say in the disbursements, but legally they do not own the assets, and the sponsoring organisation has the sole authority to approve or deny recommendations from the donor.

DAFs may take different structures depending on their ultimate objective. These structures include:

- a) **Flow-through Funds**, which are used in their entirety for giving. They are ideal for donors who want to create immediate impact, or who plan to inject new funds consistently over time. The assets in the fund may or may not be invested, depending on the grant-making schedule.
- b) **Endowment Funds**, which are generally held in perpetuity and invested. The returns from these investments are then directed to charitable causes that the donor supports, while the principal is kept intact. Typically, endowment funds are a good option for donors who wish to support a charity or cause on a long-term basis, such as by establishing a memorial fund to remember a loved one. Endowment funds are also useful where the grant quantum and timing are stable and regular, such as for a scholarship.

The sponsoring organisation may or may not charge a fee for managing the Donor-Advised Fund on behalf of a client or donor.

Benefits of a DAF

There are several benefits in setting up a DAF, which explain their popularity.

- **Provides structure and makes it easier to track giving**
 - ☑ When compared to directly giving to a particular charity, a DAF provides a structured vehicle that makes it easier to track donations over time. This supports regular, longer-term and more strategic giving that facilitates accountability and transparency, especially for families that may make many advised grants. This tracking also facilitates easier accounting and tax planning.
 - ☑ Funds can be invested and giving can be for a longer-term purpose.
 - ☑ You can work with the sponsoring organisation to name the DAF account.

- **Easy to establish**

- ☑ Compared to private foundations, the minimum required to set up a DAF is relatively low. Minimum contributions for DAFs vary across providers. Some DAFs may start at \$50,000 and donors can contribute more over a period of time.
- ☑ By contrast, private foundations can take significant time and costs to establish.

- **Easier to manage than private foundations**

- ☑ The donor can avoid the legal work required to set up a foundation and the administrative burden of running one.
- ☑ Once established, the sponsoring organisation typically handles all administrative work, including managing investments, recordkeeping, tax, and grant administration. This allows the donor to focus on their charitable goals and causes that they are passionate about. A private foundation, by contrast, must hire staff or ask external advisors to manage various administrative, governance, tax, and legal matters.
- ☑ A private foundation can also set up a DAF to enjoy the administrative support and philanthropy advisory provided by the sponsoring organisation.

- **Privacy**

- ☑ Foundations are generally required to disclose the details of grants in public filings, but with a DAF, giving can be done anonymously. Privacy and confidentiality are sometimes so important for some philanthropists that a family foundation is ruled out in favour of a DAF.

- **Tax benefits**

- ☑ For cases where donations are eligible for upfront tax deductions, DAFs can be a tax-efficient way to plan giving over the long term. They can also be used in high-income years or during liquidity events to set money aside for future gifts.

- **Family members engagement**

- ☑ A DAF can be considered as a 'training ground' for a future family foundation and can be a great tool to get other family members involved in making philanthropic decisions
- ☑ A DAF can also be used where family members wish to give to causes they are passionate about that differ from those supported by the family's foundation.

Concerns about DAFs

The sharp global rise in DAFs have also caused concerns in two areas - payout rates and anonymity.

Firstly, for overseas DAFs, the payout (disbursement) rates are typically 15% to 30% annually. While these generally are higher than private foundations, it has raised concerns regarding 'hoarding' funds whereby the donor does not get around to making the gift.

Secondly, the anonymity of the DAFs means that the original donor may not be visible to the charity unless the donor chooses to disclose his/her identity. This may create stewardship challenges for the charity, especially if a donation is a large proportion of their total funding.

While these concerns are legitimate, they do not always apply in the Asian context. For example, in Singapore, The Community Foundation of Singapore has disbursed 65% of the non-endowed donations it has received since inception in 2008 (as of 31 Dec 2021), while SymAsia Foundation's payout rate stands at 80% (as of 30 Jun 2022).

When considering your own DAF, it is important to bear in mind your social impact goals over the long term, and what this means for your payout rates and engagement with charities.



Donor-Advised Funds in Singapore

There are currently three major organisations that provide DAF services in Singapore, with a fourth organisation launching soon.

1. The Community Foundation of Singapore (CFS)

The Community Foundation of Singapore (CFS) is a charity with IPC status founded in 2008 to encourage and enable philanthropy in Singapore. CFS closely collaborates with government ministries and agencies, philanthropists, and its network of over 400 charity and non-profit partners.

CFS is a cause-neutral philanthropy advisor, and individuals, families, businesses and organisations work with CFS to set up and manage funds that help meet their philanthropic objectives. Donors can construct a portfolio of giving with the guidance of their DAF's philanthropy advisor and the expertise of CFS's grantmaking analysts who evaluate charities and programmes to identify opportunities for impact.

CFS also provides strategic philanthropy advisory, as well as access to innovative giving models, to philanthropists seeking to make an even greater impact with their giving.

2. SymAsia Foundation

Established in 2010, SymAsia is an umbrella platform of Credit Suisse to support their APAC clients in philanthropy. It is only open to clients of the bank, and Credit Suisse has waived all the costs of setting up and managing the Donor Advised Fund for each client. Clients can direct donations to organisations all over the world. For donations towards the Singapore community, donors can enjoy tax deductions as SymAsia has an IPC arm.

SymAsia is a separate legal entity from the bank and has its own independent Board chaired by Professor Tommy Koh, Singapore's Ambassador-at-Large. Its team is made up of philanthropy specialists with a track record in charitable grant-making. Clients can also draw on the expertise and networks of SymAsia's 3 sister DAF foundations in Credit Suisse's global network.

Clients can access bespoke philanthropy advisory services for a separate fee.

3. UBS Singapore Donor Advised Fund

The UBS Singapore DAF was established in 2022 as the fourth DAF in the UBS global DAF network, following the United States, United Kingdom and Switzerland. It is only open to clients of the bank, and UBS has waived all the costs of setting up and managing the Donor Advised Fund for each client. UBS supports both Singapore-based and cross-border giving.

Clients can draw on the expertise and research of the UBS Optimus Foundation, a grant-making foundation with a 20 year track record focusing on children's health, education and protection, and more recently, environmental and climate issues.

4. Asia Community Foundation (upcoming)

The Asia Philanthropy Circle (APC) is planning to launch a DAF focused on regional cross-border giving around Asia.

The table below provides a summary of different DAF organisations:

	Community Foundation of Singapore	SymAsia Foundation	UBS Singapore Donor Advised Fund	Asia Community Foundation (upcoming)
Established	2008	2010	2022	Upcoming
Size	<p>Since inception in 2008 (as of 30 Jun 2022):</p> <ul style="list-style-type: none"> • Donations received: Over S\$249M • Grants disbursed: Over \$137M • 65% of non-endowed donations since inception disbursed (as of 31 Dec 2021) • Payout for endowment funds, whose principal is not disbursed, has averaged 4% of NAV • Number of DAFs established: 190 	<p>Since inception in 2010 (as of 30 Jun 2022):</p> <ul style="list-style-type: none"> • Donations received: Over S\$240M • Grants disbursed: Over S\$190M (80% payout ratio) • Number of DAFs established: Over 70 	<p>Relatively new as it was established in 2021 and still scaling up.</p> <p>Over S\$20M donations received as at August 2022, with over 10 DAFs being established.</p>	<p>The soft launch for ACF is tentatively set for December 2022.</p>
Accessibility	Any individual or organisation is eligible (subject to Know-Your-Donor checks)	Only available to Credit Suisse clients	Only available to UBS clients	Any individual or organisation is eligible (subject to Know-Your-Donor checks, and minimum committed funding threshold criteria).
Minimum Donation	Varies by type of fund, but generally S\$200,000	Donors pledge to donate minimum S\$1M over time	Minimum US\$50,000	Minimum S\$1M to be injected over 5 years (average S\$200,000 annually over 5 years).
Fees	<p>CFS charges support fees, which are considered as donations to CFS and will be deducted directly from donors' funds.</p> <p>Support fees qualify for tax deduction as specified by IRAS.</p>	<p>Fees waived for clients.</p> <p>Bespoke philanthropy advisory services may be separately charged.</p>	<p>Fees waived for clients.</p> <p>Fees for philanthropy advisory services are also waived for clients.</p>	<p>The fee structure will consist of 2 basic fees: (1) an annual fee based on average DAF account balance; and (2) a processing fee per grant that is disbursed. The goal is to keep the fees as low as possible, especially for unrestricted funding.</p> <p>Any other additional customisations will be charged based on services used.</p>

	Community Foundation of Singapore	SymAsia Foundation	UBS Singapore Donor Advised Fund	Asia Community Foundation (upcoming)
Assets accepted	Cash, equities, bonds, real estate. Other assets may be considered on a case-by-case basis.	Cash, insurance policies, equities, bonds, real estate. Other assets may be considered on a case-by-case basis.	Cash and securities (on a case-by-case basis).	Cash only. Other assets may be considered in the future.
Focus areas	Focus areas include: <ul style="list-style-type: none"> • Accessible Quality Education • Improving Employability • Mental Wellbeing • Ageing Well • Climate & Environment Other cause pillars are available; donors can also nominate.	Donors nominate their own causes, and can leverage the research, networks and expertise of the SymAsia team. Clients' top focus areas include: <ul style="list-style-type: none"> • Education • Social Welfare • Healthcare • Arts and Heritage • Sports • Nature and Environment 	Donors nominate their own causes and can benefit from the advice of the UBS Optimus Foundation Program Directors.	Donors nominate their own causes and can leverage the research, networks and expertise of the Asia Philanthropy Circle.

More details about each organisation can be found in the Annex.



Other Philanthropic Vehicles and Tools

Beyond Donor-Advised Funds, there are several other philanthropic vehicles that family principals and family offices may consider. Each can be a powerful way to create impact while managing your philanthropic giving in accordance with your goals.

1. Private Foundations

A private foundation is an independent legal entity that is set up entirely for charitable purposes. Of all the tools, this one gives donors the most control over their granting and investment decisions. It is often created, supported, and managed by an individual or family. Typically, foundations are created for a specific term of years to achieve a particular purpose or are set up to run 'in perpetuity'.

A private foundation is a flexible philanthropic vehicle that can engage in a wide array of philanthropic activities not typically available through other giving vehicles, such as cause-specific or program-specific investments. It can also hold many different types of assets, including cash, public equities, real estate, and other direct investment assets.

On the other hand, it is a high-cost approach as the foundation typically has greater administrative and reporting requirements, as well as operating costs. It is best used when the philanthropist has significant value to contribute, has a high tolerance of fees and planning, and demands a high degree of control over their grantmaking.

2. Charitable Trust

A charitable trust is an arrangement set out in a deed of trust, where a settlor's trust property is managed by a group of persons known as trustees. The trustees administer the trust for charitable intentions as stated in the trust deed.

The trust deed details the identity of the trustees, the charitable intentions of the trust and the framework within which the trustees must operate. A Board of Trustees, consisting of at least 3 persons, manages the charitable trust.

Notably, a charitable trust is not considered a separate legal entity, and trustees will bear all legal liabilities.

3. Legacy Giving

A legacy gift can be made via a will or trust, or a nomination of a charity or charities as beneficiaries of the donor's CPF or life insurance policy. Donors may consider establishing a named fund during the donor's lifetime and adding a supplementary gift later.

Legacy gifts create ongoing support for a charity or cause and are typically set up as a named fund, for example through the Community Foundation of Singapore or SymAsia Foundation. Using a DAF for legacy giving enables donors to spend down a gift flexibly over time, and relieves successors or executors of the need to identify beneficiaries and establish and manage a standalone vehicle such as a charitable trust or foundation.

4. Collaborative Giving

There is an increasing recognition that many of the most pressing social problems are beyond the reach of a single philanthropist. Globally, there is an encouraging and growing movement towards **collaborative philanthropy**, where different philanthropists pool their resources to address a common issue.

A **Giving Circle** is one such structure that encourages collaborative giving. Here, a group of donors gathers and align on their common vision for impact. They then pool their funds and decide which project or organisation to support, whereby their individual gifts are multiplied by the power of the group. Donors typically engage beyond the gift through building awareness, volunteering, becoming board members, and more.

Examples include the Asian Philanthropy Circle, AVPN Pooled Funds as well as global collaborative giving initiatives such as funds run by Gates Philanthropy Partners.

Conclusion: Finding What Works Best for Your Philanthropy

With the range of societal issues facing our world today, philanthropy is a powerful and critical lever for change. For family principals and family offices, it is also a key pillar in creating purposeful wealth and living out and passing on family values.

There is a wide range of philanthropic vehicles and tools available, each with its own benefits and drawbacks. Donor-Advised Funds bring many advantages and can be seen as a 'training ground' for more sophisticated and resource-intensive vehicles such as private foundations. In this way, they also form part of each family's legacy and succession planning. Whichever vehicle is ultimately chosen, DAFs will serve to increase the choices in the philanthropic sector and galvanise a new generation of philanthropists to create greater social impact.



ANNEX

Overview of organisations that provide DAF services in Singapore



1. The Community Foundation of Singapore (CFS)

Description:

The Community Foundation of Singapore (CFS) is a charity founded in 2008 to encourage and enable philanthropy in Singapore. As Singapore's first and only community foundation, drawing on over a decade of experience, CFS has a deep understanding of Singapore's giving landscape and is a thought leader in strategic philanthropy.

CFS's vision is to inspire giving. As of 30 June 2022, CFS has established over 190 DAFs, raised over S\$249M and disbursed over S\$137M to charities. CFS has also partnered with more than 400 charities and non-profits in Singapore to date.

CFS has a broad role in the philanthropy ecosystem, with a social objective to promote values by building a philanthropic culture and giving society in Singapore. This role includes:

- Stewarding donors to make greater impact in the community through DAFs
- Partnering with key stakeholders in the financial sector, such as EDB, MAS and private banks, to support and promote the inclusion of philanthropy in financial planning
- Being a thought leader providing expertise on key trends and emerging themes in philanthropy, and topics such as strategic philanthropy for global family offices, investments by trusts and foundations, and legacy giving – a valuable component of HNW wealth and estate planning

A one-stop destination for philanthropy advisory and grantmaking

As a cause-neutral philanthropy advisor, CFS works with a wide range of charities to maintain a roster of systematically evaluated programmes across a spectrum of causes. At the same time, CFS's team of grantmaking analysts identifies and evaluates key opportunities for impact based on a detailed review of needs and gaps on the ground, including programmes supporting education, employability, mental well-being, ageing well, and environmental sustainability.

Supported by their dedicated philanthropy advisors, donors can construct a portfolio of giving that suits their interests and objectives from these key opportunities, as well as other causes and charities that they choose. Donors can take a broad approach across a diverse range of causes and areas, or create a deep, thematic portfolio that provides strategic funding for multiple programmes in specific cause areas.

CFS also supports family offices, corporate donors, private foundations, and other philanthropists through strategic philanthropy advisory, sharing philanthropy best practices, and enabling them to explore innovative practices such as pooled giving models and collective projects.

Providing expertise on Singapore's giving landscape

CFS's grantmaking is focused on Singapore, and CFS works in close partnership with the Ministry of Culture, Community and Youth (MCCY) and other government and social sector stakeholders, including philanthropists as well as its network of over 400 charity partners, to maintain a deep understanding of Singapore's charity landscape. It leverages this expertise alongside its strengths in evaluating Singapore charities to enable impactful grantmaking in Singapore.

In addition, giving locally can have a regional impact, for example through providing learnings that inform overseas practices, or giving to local initiatives with regional impact such as climate interventions and research in fields like medicine and environment.

Key Terms:

Type of Fund	Minimum Amount
Flow-through fund	Minimum \$200,000, pledged over up to 5 years Minimum donation of \$50,000 to start
Endowment fund	Minimum \$200,000 as an upfront gift
Investible flow-through fund	Minimum \$1,000,000 as an upfront gift

CFS charges support fees, which are considered as donations to CFS and will be deducted directly from donors' funds. Support fees qualify for tax deduction as specified by IRAS.

As a charity with Institution of a Public Character (IPC) status, donations to CFS may be eligible for tax deduction⁷. Please also refer to [this IRAS statement](#) regarding carrying forward of unutilised tax deduction for donations to IPCs for a maximum of five years.

⁷ Subject to IRAS regulations

How to set up a DAF with the Community Foundation of Singapore:

Donors who are interested in establishing a DAF can reach out to CFS, either by themselves or through an advisor. CFS will meet with donors for an initial consultation to learn more about their giving intentions and plan how they can fulfil these through a DAF. The donor and CFS will then work together to confirm DAF details such as fund type, fund name, pledge amount and period, and charitable focus. Following standard Know-Your-Donor (KYD) checks, a Deed of Gift will be executed and the donor will make the donation to activate the fund. Grant recommendations can commence after activation.

Examples of Impact:

Mind the Gap 200 – Sustainable Earth Fund

Mind the Gap 200 (MtG 200), established in 2019 to mark Singapore's bicentennial, is the first collective of 10 DAFs to address social issues across multiple sectors in Singapore.

The MtG 200 – Sustainable Earth Fund was established by David Heng, the CEO of an impact investment fund. It enables him to integrate philanthropy into his approach to deploying capital to create a better world for future generations.

A grant from the fund supported research by NUS into genetic diversity and connectivity of coral reef ecosystems in SEA:

- Initial findings have been published in a peer-reviewed international academic journal with donor acknowledgement
- Research findings will contribute to the recommendation of sites for a network of marine protected areas (MPAs) in SEA, which will help maintain the resilience of the SEA marine ecosystems

This grant is part of David's thematic portfolio of sustainable philanthropy that explores giving to climate and the environment. David has made grants to diverse projects within the environmental space, from an art exhibition highlighting the effects of waste, to a multi-faceted WWF-Singapore programme to help Singapore reach net zero by 2050.

2. SymAsia Foundation

Description:

Launched in 2010, SymAsia Foundation partners with donors to support their philanthropic aspirations through strategic opportunities and programmes. As of June 2022, it has received a total of over S\$240M and disbursed more than S\$190M in grants to charitable causes around the globe. SymAsia has set up more than 70 foundations for individuals, business families, corporates and private foundations; currently it has 55 active foundations.

Through their DAFs, clients decide to whom, where and how much they wish to give. Clients choose their own preferred philanthropic causes, and the SymAsia team supports them in project sourcing, charities due diligence, monitoring and reporting on use of funds, foundation administration, etc.

As SymAsia Foundation qualifies for the Singapore Economic Development Board's (EDB's) Non-Profit Tax Incentive Scheme, donors enjoy tax exemption for investment returns from their donated assets pending disbursement.

At the same time, SymAsia also runs the SymAsia Singapore Fund, which enjoys Institution of a Public Character (IPC) status under the Charities Act. This enables SymAsia to issue tax-deductible receipts to donors for their qualifying donations.

SymAsia Foundation undergoes annual external statutory audits by an international public accounting firm.

Key Terms:

SymAsia services are only available to Credit Suisse clients. Set-up and administrative fees are fully borne by the bank so that 100% of clients' donations go to their charities of choice.

Donors desiring more bespoke philanthropy services (such as developing their philanthropy strategy and roadmap, additional in-depth research, detailed monitoring, overseas due diligence, impact assessment, etc.) can engage the SymAsia team on advisory.

Donors pledge a minimum donation of S\$1M over time. There is no strict deadline to fulfil this pledge.

SymAsia manages all disbursements and donated funds are allowed to be invested in a pre-defined list of mutual funds that have been vetted by the bank.

How to set up a DAF with SymAsia:

Setting up a DAF can either be client-initiated or suggested by the client's Credit Suisse advisor. The SymAsia team will guide the client through the Donation Agreement process, and assist in setting up the DAF.

Example of Impact:

SymAsia's initiatives have seen success both locally and overseas. One local example includes a donor's strong support for Equal-Ark, which is an organisation that offers Animal-Based therapy to youths, individuals with special needs and the elderly, equipping them with necessary life skills and supporting social integration. The donor, being an animal lover, is supporting the charity in launching a dog therapy programme and helping to expand Equal's equine programme. These initiatives would enable Equal to enlarge its impact and serve more vulnerable communities.

A prominent example overseas would be a SymAsia donor's 10-year support for the World Mosquito Programme, alongside other philanthropic organisations such as the Bill & Melinda Gates Foundation. This donor is leading the charge to eliminate dengue in his home country. With his philanthropic support, the Wolbachia technology has become a key prong in the country's fight against dengue.

3. UBS Singapore Donor Advised Fund

Description:

The UBS Singapore Donor Advised Fund is the youngest of the three major DAF sponsoring organisations in Singapore and was launched in 2022. Together with 3 other DAFs in the UBS global DAF network, UBS manages more than USD 5 billion of assets globally.

Through its Philanthropy Services team, UBS supports clients to maximise their philanthropic impact locally, nationally and globally, by offering one-stop access to a global team of experts, to systematically professionalise their giving and establish an impact legacy for future generations. UBS provides comprehensive advice, insight experiences and execution services, and employ an investment-based approach to deliver solutions to pressing social and environmental issues.

The cross-disciplinary team is equipped with best-in-class field experiences across a full spectrum of domains, including programme design & management, charity governance, impact monitoring & evaluation, grant making & management, and first-hand working knowledge of philanthropic structures and execution platforms.

Donors can also leverage the expertise of the UBS Optimus Foundation, a leading grant-making foundation that offers UBS clients a platform to use their wealth to drive positive social and environmental change. Donors may either choose to support the Foundation's existing initiatives or highlight key issue areas that they are passionate about and seek support from UBS Philanthropy Services team to assess giving opportunities in these areas.

UBS Singapore Donor Advised Fund enjoys Institution of a Public Character (IPC) status under the Charities Act. The full suite of services under UBS DAF offering is also applicable for giving outside Singapore, administered by UBS Optimus Foundation Singapore, subject to additional due diligence requirements and applicable fees.

Key Terms:

DAF services are only available to UBS clients, and administrative fees are waived, so the total donation amount goes to the donor's charity of choice. The minimum donation amount is US\$50,000.

Donors can also access philanthropy advisory services which are also complimentary.

UBS manages all donations and funds are allowed to be invested in a pre-defined list of investment solutions that have been vetted by the bank.

How to set up a DAF with UBS:

Setting up a DAF can either be client-initiated or recommended by the client's UBS representative. The representative will guide the client through the set-up process.

Examples of Impact:

As part of its pre-IPO strategy, a corporate client rallied their investors globally to contribute towards a corporate DAF with an aim to create economic empowerment for communities in Southeast Asia. These investors were able to contribute towards UBS' global network of DAFs in their region, to take advantage of applicable local benefits for their giving before granting their contributions towards the corporate DAF established in Singapore for sustainable, long-term funding for its philanthropic activities.

These funds were deployed with guidance from experts in UBS Philanthropy Services and UBS Optimus Foundation teams globally, including due diligence and programmatic curation on the client's behalf. With all administrative fees borne by UBS, these client-exclusive philanthropy services saved the client costs and administration, and allowed access to UBS' in-house expertise, in partnership for good.

4. Asia Community Foundation

Description:

The Asia Community Foundation Ltd. (ACF) is a newly-incorporated donor-advised fund (DAF) sponsoring organisation in Singapore which aims to support donors in regional giving in Asia.

Across different Asian countries, the charitable landscape can be confusing, with significant restrictions on cross-border giving. Donors may need guidance on identifying specific beneficiaries, and also require support for due diligence of beneficiaries. The goal of ACF is to simplify the regional giving process for donors, so they can find good regional charities, and share costs through a joint platform. This will build capacity for regional charities to source more funds.

ACF is being incubated out of the Asia Philanthropy Circle Ltd (APC), which will enable it to leverage on APC's resources, philanthropic expertise, and extensive network of members and partners across Asia with deep local on-the-ground experience. ACF will adopt a transparent approach to selecting and vetting charities, provide donors with basic monitoring of grantees, and offer other customizable options, such as designing and implementing grant-specific monitoring and evaluation systems.

ACF will also be a technology-driven platform to allow donors to gain access to a community of givers and to directly control the functionalities of their individual DAF accounts, such as viewing ACF's charity database, their DAF account dashboard and portfolio, and submitting charity and grant recommendations.

At a later stage, ACF may also offer other services such as thematic pooled funds, advisory services, training, and philanthropy consulting services.

At the moment, donations made through ACF are not tax deductible in Singapore. Singapore tax deductions will be available only for funds designated for Singapore IPCs only.

Key Terms:

The minimum DAF account size is set at S\$1M to be injected over 5 years (average of S\$200,000 per year over 5 years). Fund injections into DAF accounts are non-refundable and are required to be disbursed to grantees within 5 years of injection into the DAF account.

The fee structure will consist of 2 basic fees: (1) an annual fee based on average DAF account balance; and (2) a processing fee per grant that is disbursed. The goal is to keep the fees as low as possible, especially for unrestricted funding. Any other additional customisations will be charged on an a-la-carte model, with donors only paying for services they use. These may include fees for enhanced due diligence, customised monitoring, and evaluation, and grant-making for new charities to be added to ACF's database.

In the initial phase, only cash donations will be accepted. At a later stage, other assets such as publicly-traded equities may be considered.

The soft launch for ACF is tentatively set for this December 2022.

NOTES

NOTES