



New DAF Procedure

Below is a list of the steps involved in setting up and operating a typical new AEF Donor Advised Fund (DAF). These steps could vary depending on the asset contributed and other factors.

1. The Client will e-sign the completed online [DAF Application](#) and transfer instructions, if applicable. These are the only documents the Client will sign.
2. The Financial advisor sends investment paperwork completed with AEF's information, necessary to open a new investment account for a nonprofit Corporation. The registration will be as follows: **American Endowment Foundation FBO (Name of Donor Advised Fund)**. AEF (as the client) will sign the completed investment paperwork and return to the Financial Advisor. Please include the investment advisory agreement, if applicable. Send all investment documents to newdaf@aefonline.org.
Note: The Financial Advisor may need to be registered in Ohio, since AEF is technically the owner of the new investment account.
3. When the new investment account is opened, the Financial Advisor helps the Client transfer cash or securities into it ([see transfer instructions](#).) The Financial Advisor notifies AEF once the transfer has taken place. The Financial Advisor provides AEF online access to the investment account.
4. AEF sends the Client a welcome letter, including a tax receipt, and login information and instructions for DonorCentral (AEF's client portal through which most Clients' access information about their DAFs, and submit grant recommendations.)
5. Financial Advisor contacts AEF to discuss any changes in the investment account. This is unnecessary if the Financial Advisor has discretionary investment authority.
6. When the account is established, AEF will contact the Financial Advisor to arrange for a distribution of 1% of the fund balance from the investment account to AEF unless the account is already held in liquidity. This is not a fee. Its purpose is to fund the DAF's Liquidity Account (a small pool of liquidity, held by AEF outside of the investment account, from which AEF takes its quarterly administrative fee.) Once a year, thereafter, AEF will request a distribution to bring the Liquidity Account balance back up to the 1% level.
7. From time to time, clients will want to make grant distributions from their DAF accounts. They will submit these grant recommendations through DonorCentral. AEF will contact the Financial Advisor to request a distribution from the investment account equal to the amount to be granted.
8. AEF prepares a quarterly statement of DAF activity, and notifies the Client and Financial Advisor that it is available on DonorCentral. AEF can mail paper statements, if the Client so prefers.
9. **All documentation can be faxed to 330-656-2063 or emailed to newdaf@aefonline.org**

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