



THE DONOR  
MANAGED  
INVESTMENT  
ACCOUNT<sup>SM</sup>

*The freedom  
to make  
a greater  
charitable  
impact  
through the  
personal  
investment  
management  
of your gift*



# The Donor Managed Investment Account<sup>SM</sup> allows you to share your investment success with the nonprofits you support and create a larger gift in the process

**A**s a donor, you may want a more active role in your philanthropic support and the opportunity to direct the management of your gifted assets.


Nonprofits must grow their endowments and attract incremental gifts. And you both want to create opportunities that can lead to greater investment returns. The DMI account was developed to achieve all these goals.


Many sophisticated donors like you have found current giving alternatives too limiting or restrictive. With the DMI Account you have a virtually unlimited choice of investment alternatives (subject only to certain IRS rules and nonprofit guidelines). You are able to implement your own investment strategies or work with your preferred advisors to grow donated assets -- tax free --


**THE DMI ACCOUNT OFFERS YOU A GREATER ROLE IN DETERMINING THE ULTIMATE BENEFIT TO THE CHARITIES YOU SUPPORT.**


for the benefit of your chosen charities. This offers you the potential to create a gift that is significantly larger than your initial contribution. As permitted by the nonprofit, you may also choose to disburse part of your gift, at a later date, to other charities on a


## A DONATION MADE THROUGH A DMI ACCOUNT LETS YOU:

 Manage investment of your donation through your own money manager or financial advisor

 Trade stocks, bonds, mutual funds, index funds and alternative investments

 Obtain an immediate tax deduction

 Generate tax-free gains on your investment for your chosen charity

 Grow your initial contribution into a larger gift to the nonprofit

tax-free basis, by contributing now to a Premium DMI Account specially set up with this gifting mechanism.

Rather than postpone making substantial charitable gifts until designated assets have grown to larger amounts, the DMI Account lets you manage the investment growth of your donated assets while they are owned by the nonprofit. These gifted funds can then grow tax free, with all of the potential benefits accruing directly to the nonprofit.

The effect of the DMI Account is to give you an expanded freedom of choice and greater effectiveness and satisfaction in your philanthropic activities. You become the producer and shaper in meeting your gifting goals.


**SERVICES FROM WINKLEVOSS CONSULTANTS** Winklevoss Consultants provides all of the administrative services necessary to ensure the smooth set up, operation, and administration of the DMI Account Program at the participating nonprofit organization. We manage the back-office activity for the nonprofit participating in the Program, including:


- 1 Account set-up, documentation and implementation
- 1 Tracking and reporting of donor account activity
- 1 Monitoring compliance with investment guidelines
- 1 Monitoring advisory fee compliance


**Services available to nonprofits for the Premium Account Program include:**

- 1 Grant making, administration and disbursement oversight
- 1 Online tracking and reporting of grant making activity
- 1 Access to sophisticated performance analytics to help nonprofits evaluate their investment portfolio

## THE DMI ACCOUNT OFFERS UNPRECEDENTED FLEXIBILITY:

 No restrictions on frequency of portfolio reallocations

 Transparent tracking of portfolio activity and performance

 Low cost to nonprofit, no cost to the donor

 Easy set-up and administration



### **ONLINE TOOLS FOR ACCOUNT TRACKING**

Winklevoss Consultants provides you and participating nonprofits with password-

protected website access to your DMI Account information. This gives designated staff members, as well as family members and advisors, a convenient and central source of information accessible from any web browser.


### **GETTING STARTED**


It's easy to use the DMI Account Program to make your charitable contribution. Simply contact the nonprofit organization you have designated for receipt of your contribution and advise them of your intention to use the DMI Account Program for your gift. If your selected nonprofit is not already participating in the DMI Account Program, ask them to visit our website at [www.winklevoss.com](http://www.winklevoss.com) for information about establishing a Program at their organization. Or contact Mark Rakov, Senior Managing Director, Philanthropic Services Practice, at (203) 861-5565 or [Mrakov@winklevoss.com](mailto:Mrakov@winklevoss.com) for more information.


WINKLEVOSS  
CONSULTANTS



## **EXAMPLE OF GIFTING SCENARIO:**

 Dorothy, with a personal tax rate of 30%, plans to make a gift of \$1,000,000 to her alma mater at a future date by starting now to grow the money in her own investment account. She is not interested in a donor advised fund because of its limitations on her flexibility to make investment and reallocation choices. When she learns about the DMI Account, however, she realizes that she can contribute a smaller gift now and grow it to \$1,000,000 on a tax-free basis while managing the gifted assets herself. Assuming an annual rate of growth of 10% she invests \$620,920 in a DMI Account, receives a tax deduction in the same year of the donation and manages the assets tax-free to \$1,000,000 over a period of five years. At that time, her college can apply the gift towards her intended purpose.

 On the other hand, if Dorothy had started with her original strategy, investing \$620,920 in her own investment account at a 10% growth rate, she would have ended up with only \$870,874 in five years time. In fact, it would take seven years to grow the money to the full \$1,000,000.

 In both cases, Dorothy can exercise control over her investment management decisions, but by using a DMI Account she is able to generate an additional gift for her college of nearly \$130,000.



# Frequently asked questions about The Donor Managed Investment Account

**WHAT IS THE DONOR MANAGED INVESTMENT ACCOUNT PROGRAM?** The Donor Managed Investment (DMI) Account Program is a new charitable giving methodology that provides donors the ability to manage the investment of contributed assets among a vast range of alternatives after they have been gifted to a 501(c)(3) nonprofit organization.

**HOW DOES THE DMI ACCOUNT PROGRAM DIFFER FROM A DONOR ADVISED FUND OR A PRIVATE FOUNDATION?** A DMI Account differs in the level of investment control permitted for the donor, the overall flexibility of the Program, and the cost to establish and operate. A donor's investment choices are substantially limited in a donor advised fund. A private foundation offers more investment flexibility than donor advised funds, but the costs of establishing and maintaining a foundation are substantial. Foundations also carry requirements for accounting and reporting that often require additional staff to administer.

A DMI Account offers a wide-ranging selection of investment choices, including stocks, bonds, mutual funds, index funds, and alternative investments, without the administrative costs or reporting requirements associated with foundations, including IRS filings open to the public.

**WHO OWNS THE FUNDS IN A DMI ACCOUNT?** Funds in a DMI Account are owned by the recipient nonprofit organization. The donor is granted authorization to direct the investment management of these funds for an agreed period of time by the nonprofit.

**WHAT HAPPENS TO THE FUNDS IN THE ACCOUNT WHEN THE INVESTMENT PERIOD ENDS?** At the conclusion of the donor's investment management period, proceeds are applied to the agreed-upon use established by the donor and nonprofit in the Program Agreement that is completed at the outset of the arrangement.

**HOW MUCH DOES IT COST TO ESTABLISH A DMI ACCOUNT?** Participating donors pay no fees for using a DMI Account. As Program administrator, Winklevoss Consultants charges each participating nonprofit a license and servicing fee based on assets under management in DMI Accounts to cover record keeping and administrative services. There are no initial charges or set-up fees for the nonprofit to establish a DMI Account.



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