

A Georgia Charity Accepts 'Weird' Gifts Contributed to Donor-Advised Funds

By Ben Gose

The Dechomai Foundation is the homeless shelter of the donor-advised fund industry—it's the place for gifts that have nowhere else to go. Many of the largest providers of donor-advised funds turn to Dechomai when a donor wants to contribute real estate, wine, art, business holdings, or other gifts that are complicated or hard to value.

Dechomai, which is structured as a community foundation, takes the gift, figures out a way to sell the asset within 30 days, and then sends the proceeds back to the organization a donor initially wanted to support. For its efforts, Dechomai keeps a fee that averages about 2 percent of each gift.

As Bryan K. Clontz, Dechomai's founder, puts it, when a foundation executive says, "Ugh, do we really want to take this?" the next step is often a call to Dechomai's offices in Marietta, Ga. "The stuff in their sweet spot, they take," Mr. Clontz says. "The stuff that is customized and weird, they send to us."

Mr. Clontz recently helped a donor liquidate art worth \$3-million so that the money could support relief efforts in Haiti. Other gifts accepted by Dechomai (which is Greek for "graciously receive") include an ownership stake in a professional sports franchise, gold bullion, patent interests, and what he describes as a "very famous" sculpture.

The foundation receives only a handful of gifts each year—nine in 2008 and 11 last year. But every gift is large. The 11 gifts that it received last year were worth \$16.8-million, an average of more than \$1.5-million per gift. The foundation generally won't take a gift worth less than \$250,000.

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Earning High Marks

Eileen R. Heisman, president of the National Philanthropic Trust, says Mr. Clontz is highly regarded by fund providers for his integrity—an important quality since he's handling money intended for other organizations and dealing directly with their donors.

"He has been able to take assets that a lot of people are afraid of, and he has turned them into charitable assets, so he's making the world a better place," Ms. Heisman says.

Before founding Dechomai and co-founding Charitable Solutions, a for-profit firm that provides administrative services to Dechomai, Mr. Clontz worked as vice president of advancement at the Community Foundation for Greater Atlanta and director of planned giving at the national office of Boys & Girls Clubs of America.

The varied nature of the gifts Dechomai receives requires Mr. Clontz to be a bit of a sleuth. “If you know what to type into Google,” he says, “in six hours you’ll be able to find out where to sell every vintage of red wine in the world.”

Even now, about two-thirds of the gifts that Dechomai receives are real estate. That might seem odd, given the sharp downturn in the real-estate market, but many donors have owned land or homes for decades and are still sitting on large gains that can yield a generous tax deduction. The risk with an unusual and illiquid gift like real estate or art is that the organization accepting it gets stuck with high carrying costs before it is able to sell the asset.

The Vanguard Charitable Endowment Program, in Malvern, Pa., readily accepts stocks, bonds, and mutual funds, in addition to cash but rejects assets like real estate or refers such offers to other organizations.

It recently referred a gift of art to Dechomai. “We will not handle stuff ourselves that is not within our core competency,” says Benjamin Pierce, Vanguard Charitable’s executive director. Vanguard Charitable and many others say they deal in unusual gifts so rarely that it wouldn’t be economical to maintain such expertise in-house.

Sharing Expertise

Still, some community foundations have developed such skills, and they help cover their costs by sharing their expertise with others. The Minnesota Real Estate Foundation, for example, is a supporting organization of the Central Minnesota Community Foundation, in St. Cloud. But the real-estate foundation also handles gifts of buildings and land for other providers of donor-advised funds, including the Saint Paul Foundation.

“It’s the kind of thing that we don’t do every day,” says Sally Seiberlich, director of donor relations at the Saint Paul Foundation. “It’s nice to let someone else handle it.”