

DOs and DON'Ts of Donor Advised Funds

Donor Advised Funds (DAFs) are an efficient charitable vehicle that offers you significant decision making influence in directing resources to your favorite organizations.

Here are some guidelines to help you navigate what is and is not possible to do with donations from your DAF. Following these principles will ensure that your DAF is meeting tax regulations.

At CCF, every grant recommendation goes through our due diligence process where we take care of any compliance issues to help you avoid the “Don’ts.” If you ever have a question about what is permissible, our staff is available to provide guidance. We also have our [Charitable Fund Guidelines](#), which provide more detailed information on the policies and procedures associated with establishing a fund at CCF.

Types of Charities and Grant Purposes

Your DAF can make grants in direct support of qualified charitable organizations, whether they are established charities or exciting new organizations. Qualified charities include 501c3 public charities, including schools and churches.

General Operating Funds, Programs, Grants, Scholarships

DO support a range of benefits, from general operating costs to specific programs, scholarship support, and other charitable activities.

- We encourage donors to consider unrestricted support, which allows an organization the flexibility to use the funds as needed. We can also set up multi-year grants, which are a great option if you plan on supporting the same organization year after year and help to provide a consistent funding stream for the nonprofit.
- We have a staff of experts to help you identify and assess potential grantees, as well as investment pools to help you manage the funds. Not sure if an organization meets CCF policies and IRS guidelines? Just ask, and we'll do the research for you!

DO submit grant recommendations online at [DonorConnect.org](#). This is the password-protected part of CCF's website where you can submit grant recommendations, view fund activity, and check your fund balance. You also have access to a full suite of tools, services, and resources.

DON'T use DAF funds to make grants that benefit specific individuals, whether via a scholarship, grant, or other means.

Private Foundations

DO use DAF funds to support a private operating foundation—that is, a private foundation that functions to carry out a stated mission and charitable activities.

DON'T use DAF funds to support a private non-operating foundation—that is, a private foundation that primarily functions as a vehicle to make donations and grants to other organizations.



Personal Benefits

In general, you cannot use DAF funds to pay for anything that would yield a personal benefit to you, a friend, or a family member. Let's look at some specific examples:

Tickets/Seats/Tables at Events

DON'T use DAF funds to purchase admission to any kind of event, even if the event is for a charitable cause. This includes tickets for golf tournaments, seats at galas, and the like.

Raffles & Auctions

DON'T use DAF funds to purchase an item at a charity auction, or a chance for a prize at a raffle.

Membership

DON'T use DAF funds to pay for membership in an organization that offers benefits such as parking privileges or special events.

DO use personal funds to purchase tickets to events, participate in raffles/auctions or pay for memberships. While there are limitations to what can be supported through your Donor Advised Fund, you have the option to use your own personal funds to give towards these activities. When using personal funds, please consult your tax advisor regarding charitable deductions.

Expenses

DON'T use DAF funds to reimburse expenses or offer any other compensation to donors, advisers, family members, or other related parties, even if these expenses were incurred in support of a charitable purpose or event.

Personal Pledges

DO speak to your CCF Relationship Manager if you want to use DAF funds to fulfill a personal pledge. It is sometimes possible according to recent IRS guidelines.

Political Activities

DON'T use DAF funds to make payments in support of political activities, such as lobbying or political campaigns.

Expanding Your Horizons

Finding New Charities

DO ask CCF staff to help you research new non-profit organizations that pique your interest. Our talented professionals can work with you to investigate the organization's mission and purpose, its ability to carry out its stated goals, its compliance with IRS regulations and CCF standards, and how it fits in with your charitable goals. This includes international charities that are eligible to receive grants.

Involving Friends and Family

DO involve interested friends and family members in your DAF's charitable activities, including research and recommendations for grantmaking. You can also name your fund to honor a friend, family member, or organization, and you can appoint successor advisors to recommend grants from the fund and sustain its spirit after you are gone.

Spread the Word

DO spread the word about your fund and grantmaking by setting up a [giving page](#) on CCF's website or share about your giving on social media.

Please feel free to contact your Relationship Manager or the Donor Relations Team at donorrelations@calfund.org if you have any questions.

You can also contact the Grants Management Team at (213) 239-2320 or grantsmanager@calfund.org.

We are here to help.

    /calfund