

: Grantmaking Guidelines for Donor-Advised Funds

CENTRAL NEW YORK COMMUNITY FOUNDATION

Donor-advised funds (DAFs) are an easy and effective way to support organizations that you care about. There are some limitations based on federal law and IRS regulations that govern this type of fund. The following guidelines will help you determine whether you should recommend a grant from your DAF or use another method (like a personal check) when giving to an organization or cause.



EVENTS

A grant from your DAF can be used to support or sponsor an event, but only if you do not accept tickets provided by the charity to attend the event. The IRS also does not allow a grant from your fund to pay just for the tax-deductible portion of a sponsorship.

What you can do

Make a grant to sponsor a table at a gala or a page in the event program and decline the seats/tickets provided. Use personal funds to purchase tickets separately to attend the event.

PLEDGES

If you use the word “pledge” when recommending a grant from your DAF we will follow up with you to confirm that you are not intending to fulfill a pre-existing pledge. Grants from DAFs cannot be used to satisfy legally enforceable pledges that have already been made to a charity. If you have signed a pledge form with a charity and would like to fulfill that commitment using your DAF, we will need to send a release request to the charity on your behalf so you can set up pledge payments through your DAF.

What you can do

Instead of signing a pledge form with the charity, set up a recurring grant from your DAF to fulfill a multi-year commitment to the charity on a schedule which you determine (e.g., \$5,000 every June for five years; total commitment= \$25,000)

INCIDENTAL BENEFITS & MEMBERSHIPS

If you recommend a grant for a membership at a charity, you will waive your right to any and all non-incident benefits. The letter that accompanies your grant to the organization will include the following language:

In order to comply with federal regulations governing donor-advised funds, the donor waives any non-incident benefits associated with this contribution to your organization.

Incidental benefits

Coffee mugs, key chains, calendars, intangible religious benefits

Non-incident benefits

Tuition, scholarships, dues or membership fees, tickets to attend charitable events, rights to tickets for athletic events

We encourage you to contact us with questions about using your donor-advised fund. Please call or email Monica Merante, director, philanthropic services at mmerante@cnycf.org or (315) 883-5541.



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