



## Donor-advised Fund (DAF) ‘Cheat-Sheet’ for Episcopal Church Leaders

### Most important facts about DAF’s

1. Donor gets an immediate tax deduction from the sponsoring charity, not from your church/organization.
2. Donors can contribute a variety of assets to their DAF or even make gifts to someone else’s DAF.
3. Donors decide the level of anonymity of each grant—even on grants from named funds they have created.
4. Grants for nearly any dollar amount can be made to a charity immediately, at a future time, or even at the death of the Grant Advisor. Furthermore, grants can be unrestricted or designated to a specific purpose.
5. Donors have the ability to name successor grant advisors and thereby pass on their charitable legacy to future generations.
6. DAF assets are invested through the sponsoring charity and may grow over time.
7. Anyone can create a DAF, not just the wealthy or sophisticated donors. ECF’s program has a \$2500 initial threshold.

### The Don’ts with a DAF

1. Don’t allow or encourage parishioners/members to pay pledges with grants from their DAFs
2. Don’t allow DAF grants to be used for the donor’s personal benefit (ex-memberships, tickets or other benefits)
3. Don’t accept grants into non-approved legal structures
4. Don’t provide the donor with a tax acknowledgement letter, but do send a “thank you” for the grant

### The Do’s with a DAF

1. Do acknowledge that DAFs exist and are becoming an increasingly common and important component of philanthropy.
2. Do mention that you accept DAF gift in your contact points.
3. Do provide a thank you letter to your DAF grantors. If possible, communicate how the grant was used and/or the impact it had on the ministry in the initial thank you letter or a subsequent follow-up letter.
4. Do get to know your DAF grantors.
5. Do let your needs as a parish be known.

*How a Donor-Advised Fund Works*

