Donor-Advised Fund Grant FAQs

Arlington COMMUNITY FOUNDATION

Can I sponsor a charitable event from my DAF?

You may, but you may not receive goods or services in exchange.

If the sponsorship comes with any goods or services (such as event tickets) that you would like to receive, you will have to pay the full cost of the goods or service out-of-pocket (regardless of the tax-deductible amount). The remainder of the sponsorship amount can be paid from the DAF through a grant.

When making a grant for a sponsorship, please note “no goods or services” in the description field on your request!

Example:
Jane would like to sponsor the food bank’s event at their gold level ($10,000). The sponsorship typically comes with 10 tickets, which Jane would like to receive. Jane will have to pay for the 10 tickets out-of-pocket, but can pay the remainder of the sponsorship through a grant from her DAF. The tickets to the event are sold at $100 per ticket ($30 of which is tax-deductible). To comply with IRS regulations, Jane will pay $1,000 out-of-pocket for the tickets, and will pay the remainder of the sponsorship amount through a $9,000 grant from her DAF (for which that portion is associated with NO goods or services).

Can I pay a pledge through my DAF?

You may not pay a legally binding pledge through your DAF. You can fulfil a non-binding commitment through a grant from your DAF. When making a grant to fulfil a non-binding commitment, please specify in the description field that the commiment is not legally binding.

Can I pay a membership fee through my DAF?

You can only pay for a membership fee if the receiving organization is a 501(c)(3) and the fee is 100% tax deductible. Memberships that include any goods or services as a benefit cannot be paid through a DAF.

Still have questions? Contact us!

giving@arlcf.org | (703) 243-4785