



Frequently Asked Questions about Donor-Advised Funds

1. How do donor-advised funds (DAFs) work?

- An individual or family unit donates a gift of at least \$10,000 to the Foundation.
- The money is then allocated to the donor's fund, aka donor-advised fund.
- This fund can only be used for philanthropic purposes (501c3, house of worship, public institution).
- The donor has full control over the decision making for this fund, just like a bank account.
 - They decide how much, how often, if the grant is restricted, and where to send their philanthropic dollars.
- Foundation staff provide both administrative and community engagement opportunities to donors.
 - Donors will occasionally ask Foundation staff to provide lists of nonprofits that are doing projects that align with their interests.
 - Foundation staff will create a list of Triangle area nonprofits that fit the donor's criteria.

2. How many of your donor-advised fund grants are unrestricted?

According to our data, on average 2,625 (or 68 percent) of our grants each year are unrestricted, worth an annual average of \$11,126,087.

3. Our organization has a great project that needs financial support. How can I share it with a donor-advised fund?

- There are a few ways that you can share your organization's work with a DAF.
 - If you have a relationship with a donor that you know has a DAF with the Foundation, contact and steward them like you would with any donor to your organization.
 - If you have a DAF that you've received grants from and would like to share this information but you don't have their contact information, please write the email to the donor and email it to donorservices@trianglecf.org; we will pass it along.
 - Find the list of DAFs on the Foundation website and utilize fundraising best practices to steward and solicit them directly.
 - Foundation staff are happy to support, but we are unable to solicit funding from a fundholder on an organization's behalf.

4. How can my organization steward donor-advised funds?

- We encourage you to steward these donors like any other in your organization—a thank you letter is often much appreciated and can be a great step to starting a new relationship with a donor-advised fundholder.

- Each grant letter comes with information about the Fund in the first paragraph. There are three different levels of donor anonymity.
- Level 1: Fully Transparent
 - The donor has chosen to share their Fund name, their name, and a mailing address. You should feel free to send a letter to the donor directly, using the address that they have listed in the letter.
- Level 2: Fund Name Only
 - The donor has only chosen to share their Fund name. This means you have no direct contact information for them. In this case, Foundation staff are happy to pass along any stewardship material/thank you letters you may want to send to the donor. We recommend setting the salutation as "Friends" or the Fund name.
 - Please send the material via email to donorservices@trianglecf.org or to Triangle Community Foundation, Attn: Donor Services, PO Box 12729, Durham, NC 27709.
- Level 3: Fully Anonymous
 - The donor has chosen to not share their Fund name or contact information.
 - In this case, Foundation staff are happy to pass along any stewardship material/thank you letters you may want to send to the donor. We recommend setting the salutation as "Friends" or the Fund name.
 - Please send the material via email to donorservices@trianglecf.org or to Triangle Community Foundation, Attn: Donor Services, PO Box 12729, Durham, NC 27709.

5. What's the "right" way to record donor-advised fund grants in our system?

- The details of this depend on your donor database. However, we recommend that you credit the gift to the donor (if you have their contact information) or the Fund name (if you don't have donor information).
- Do NOT provide either the donor or the Foundation with a tax deduction receipt. The donor received a tax receipt when they initially gifted into their Foundation fund.