

## Empowering Generosity: How to use your Donor Advised Fund to Maximize Impact

We are grateful for the generosity of donors who choose to give through donor-advised funds. We understand that donor-advised funds are subject to IRS rules and restrictions. To help maximize the charitable power of your fund, we have created a guide to help you navigate these regulations.

### What is a DAF?

A donor-advised fund is a separately identified fund or account that is maintained and operated by a section 501(c)(3) organization, which is called a sponsoring organization. Each account is composed of contributions made by individual donors.

Once the donor makes the contribution, the organization has legal control over it. However, the donor, or the donor's representative or financial advisor retains advisory privileges with respect to the distribution of funds and the investment of assets in the account.



#### IRS-Acceptable Donations through DAFs:

Donor-advised funds can be used to make gifts to Canvas Health and other 501(c)(3) nonprofits in the following ways:

- **Fundraising Appeals**, such as event Fund-a-Needs, annual appeals, Fill the Sled, and more!
- **Gifts to Specific Programs**, such as our children's programs, crisis programs, abuse response & prevention services, and more!

DAF gifts can be made in your name or anonymously. You may also set up recurring donations using your DAF.



#### Ways DAFs cannot be used, according to the IRS:

According to the IRS, donor-advised funds cannot be used in instances where "goods or services are received in exchange for a donation".

You may use your DAF for general support/recognition for a special event.

**However**, funds intended to pay any portion of the cost of attendance to a charitable event(s), auction item, or raffle item cannot be made from your DAF.

A donor can pay the non-tax-deductible portion (Fair Market Value) of the ticket fee out of pocket, and then use their DAF for the tax-deductible portion of event support/sponsorship.