



Grantmaking from Donor-Advised Funds *Answers to Frequently Asked Questions*

- ***What kind of organizations may I recommend for grants?*** You may recommend nonprofit public charities, schools, religious organizations and government programs. The organizations you recommend must be exempt under §§ 501(c)(3) and 170(b)(A) of the Internal Revenue Code.
- ***How can I find information about programs that fit my interest area?*** The NCCF team is available to provide information on grantmaking opportunities or to research organizations you might be interested in funding. Staff also can provide you with proposals in your charitable interest areas and arrange site visits to nonprofit organizations. Many of our donors also choose to contribute to NCCF's work to support philanthropy throughout our state through a grant to the NCCF Operating Endowment.
- ***May I recommend a grant to an individual or a scholarship from my donor-advised fund?*** No. According to IRS regulations, distributions from donor-advised funds may only go to qualified public charities. Grants to charitable or educational institutions earmarked for a specific individual are also prohibited.
- ***May I recommend a grant from my fund to a nonprofit organization for which I serve on the board?*** Yes, as long as you receive no personal benefit from the grant.
- ***Are there any other restrictions?*** Grants from donor-advised funds may not be used to satisfy an irrevocable personal pledge or obligation. No goods or services may be given to you by the recipient organization in response to your grant. This includes tickets to events, dinners, etc. Also strictly prohibited is the payment of grants or compensation to the donor, the fund advisor, members of their families or businesses they control. In addition, the NCCF is prohibited from reimbursing you or other individuals for expenses related to your fund. This includes reimbursement for fundraising expenses, printing, stamps, etc. Please contact Foundation staff if you have any questions.
- ***If a charitable organization asks for a pledge and I prefer to give from my donor-advised fund, how do I notify the organization?*** Distributions from donor-advised funds may not legally fulfill pledges. If an organization asks that you make a pledge but you wish to recommend a grant from your donor-advised fund, let the organization know that you plan to recommend a grant but are not making a pledge. Then complete the *Recommendation for Charitable Distributions Form* and return it to NCCF.
- ***Is there a minimum or a maximum distribution amount I can recommend?*** The minimum distribution request from a donor-advised fund is \$250. The maximum cannot exceed the fund's total available-to-distribute amount referenced in the accompanying letter. Fund advisors can recommend the entire amount available, a portion of the distribution amount or decline to make a recommendation at all.
- ***How are recommendations processed?*** One benefit to establishing a donor-advised fund with the NCCF is the assurance that your grant will only be awarded to qualified charities. We research all nonprofits to verify that they are eligible to accept tax-deductible contributions. We also ensure that your grants will be used only toward your intended purposes. We will let you know if we discover any information that leads our grants staff to question a recommendation.
- ***How often and when may I make distributions from my fund?*** You may make recommendations at any time between **February 15 and December 10**. Grant recommendations and distributions from your fund are processed approximately every two weeks.