**What is a Donor Advised Fund?**

Donor Advised Fund (or DAF) has become more popular for individuals and families who want to benefit multiple charities throughout the year and for extended periods of time.

A DAF is a separately managed fund that is maintained and operated by a sponsoring organization, such as the Seattle Foundation, Fidelity Charitable, or Schwab Charitable. Once a donor establishes a DAF, that individual and/or a representative retains advisory privileges with respect to investment allocations and distributions to various charities.

In addition to offering ease of administration, a donor-advised fund offers the opportunity to create a low-cost, flexible way to diversify your philanthropy without the expense of creating a private foundation.

**What are the restrictions on recommending a DAF distribution?**

A DAF distribution is subject to IRS charitable contribution restrictions. A recommendation for a distribution from a DAF will likely not be approved by the sponsoring organization if any portion of the gift will be used to provide more than incidental benefits.

For instance, DAF gifts cannot be used to pay for tickets to a fundraising event or tickets to a Seattle Children's Theatre performance.

If you have questions about the information you need to provide to the sponsoring organization of your donor advised fund, please contact us at donate@sct.org or 206-859-4019.