

Questions to ask a Donor Advised Fund Sponsor Organization

There are more than 1,000 charitable organizations that offer Donor-Advised Funds (DAFs) in the U.S. These “Sponsoring Organizations” all follow the same IRS rules and regulations. However, they vary widely in their administrative policies and in the types, depths, and costs of their services for donors.

If you are interested in establishing or moving a DAF, the following set of questions can help you research or interview a Sponsoring Organization. Not all the topics may be important or relevant to you now, but some could be helpful in the future. You can rate the importance of the questions on a scale of 0 to 3 (0 = not important at all, 3 = very important). You could also choose to have separate ratings for now (N) and the future (F).

Importance	Topic
	Administrative
	1. Does the Sponsor offer more than one type of DAF? What are my options?
	2. What is the minimum amount required to establish a DAF? Can I build up to that amount over time?
	3. Is there a minimum size at which the DAF must be maintained?
	4. What types of assets can I donate beyond cash or publicly traded stocks? Are there fees or restrictions for donating those assets?
	5. What happens if I want to close or move the DAF?
	6. What type of online access do I have for monitoring gifts, grants, and investments? What about access for my family members, staff, or advisors?
	7. Are there limits on the number or age of current “fund advisors” (people who are involved in the grant decisions)?
	8. What happens when I, the fund advisor, become incapacitated or die? How does the Sponsor define incapacitated and who gets to make that decision?
	9. Are there limits on the number or type of “successor advisors” (people who serve as fund advisors after I die or become incapacitated)?
	Investment Management
	10. What are the total fees? What is the minimum annual fee? (Ask for full transparency in investment advisory + investment management + custody fees. Some Sponsors also charge an administrative fee.)
	11. What are my investment options? Which options earn the Sponsor or its investment advisors and managers higher commissions or fees?
	12. Can my current financial advisor manage the assets in the DAF? What criteria or conditions are involved?
	13. What options are available to align my investments with my values (socially responsible funds, Environmental Social Governance ratings, Biblically Responsible Investments, racial equity goals, etc.)?
	14. What support is offered for Program-Related Investments or Mission-Related Investment (loans to, equity investments in, or other financing of nonprofits, projects, or social enterprises that will also provide financial return)?

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	Basic Grantmaking
	15. Is there a required minimum distribution from the DAF each year? What if future fund advisors or I do not recommend grants over time?
	16. What is the minimum grant amount that can be recommended?
	17. How quickly are grants processed? Does that change for larger grants?
	18. Are there limits on the types of grants that can be recommended (geography, grantee purpose or values, type of grant, etc.)?
	19. What written and transparent criteria does the Sponsor use to decline grant recommendations? How frequently does this happen?
	20. Is there a mandatory percentage of annual grants that must go to the Sponsor to support its mission?
	21. How does the Sponsor handle payment of pledges or multi-year commitments?
	22. How could I use the DAF to leave a legacy? How will the Sponsor protect my wishes and values (donor intent) after I die or my successors die?
	Specialized Services (some may cost extra or only be open to certain size of DAFs)
	23. Beyond checking for tax-deductible status, what help does the Sponsor provide to ensure grantees are legitimate and of good quality? How does it define quality? What if I want more in-depth analysis?
	24. How could the Sponsor help me better understand specific issues, geographies, grantmaking strategies, and/or sets of effective grantees?
	25. What reporting can I obtain from grantees? What if I want more in-depth reporting or analysis after a grant or series of grants?
	26. Will the Sponsor make grants to nonprofits that are not charitable in the U.S. or to nonprofits in other countries? Are there additional fees or criteria?
	27. How can the DAF or Sponsor support scholarship or fellowship programs?
	28. What services are available to help me learn about effective philanthropy or to create a mission or legacy statement? What about my family or employees?
	29. How could the Sponsor support group meetings and decision-making, virtual or in-person? How does it help deal with differing opinions or conflict?
	30. What opportunities are there to learn and grant with like-minded donors?
	31. What support is provided if I want to customize a gift agreement (e.g., naming rights to a building or creating a restricted endowment)?

NOTE: This list is offered by [Tony Macklin, CAP®](http://tonymacklin.com), an independent philanthropic consultant with more than 25 years of experience in and knowledge of DAF sponsors, foundations, and other charitable options. I have done consulting work for some DAF sponsors and their donor clients. But I am not paid to sell or manage DAFs or manage their investments and I do not have exclusive or favored relationships with any DAF sponsors. This document does not serve as tax, financial, or legal advice. I donated an earlier version of this list to the National Center for Family Philanthropy's [Guide to Family Philanthropy and Donor-Advised Funds](#). Feel free to email me at tony@tonymacklin.com with questions about the list or suggestions for improving it.