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Get a DAF Guide

Everything you need to understand, choose, and open a
Donor Advised Fund — in time for DAF Day.

If you want to grow and improve your giving, a DAF can be a great option for any giver.

It's easier than ever to open and use a DAF — but there are many options to choose from, and some important considerations when making the decision. This guide has three parts to help you:

1

Understand what a DAF is

Learn what a Donor Advised Fund is and how exactly it works.

2

Determine your goals

Use the MATCH framework to clarify what you need from a DAF.

3

Explore your options

Compare providers and find the right fit for your giving.



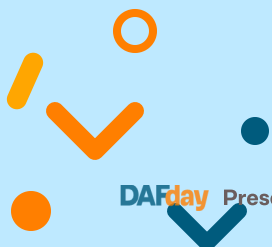
DAF Day 2026 is on October 8th (the second Thursday in October) — so do your best to set up your DAF beforehand to be a part of it!

Note: Opening a DAF is a financial decision. This information should be taken as educational background, not as financial advice. Consult your professional advisors on any financial decisions.

PART ONE

Understand what a DAF is

How Donor Advised Funds work, why they're powerful, and what to know before you open one.



WHAT IS A DAF?

A tax-advantaged charitable giving account.

DAFs are often compared to a **401(k)** for retirement savings or a **Health Savings Account (HSA)** for healthcare. You contribute cash or assets, get the tax benefit upfront, invest the balance in the market, and make grants out to nonprofits over time.

Any person, couple, family — or even a company — can open a DAF account at more than **1,150 providers** around the country. DAFs are offered by community foundations, charitable affiliates of financial institutions, national independent providers, and cause-specific entities.

DAFs have surged in popularity in recent years because they're incredibly effective at increasing giving capacity and streamlining philanthropy — for donors big & small.



Contribute & deduct now → invest tax-free → grant to charity over time.

Three primary advantages

Thanks to the tax and psychological advantages of pre-committing funds to charity, DAF holders tend to:

Give bigger

DAF holders have been shown to drastically increase their giving to the causes they care about once they start using a DAF.

Give better

By centralizing giving in a DAF, you streamline and organize your philanthropy — set goals, increase accountability, and see all your donations in one place, so you save time and support more causes.

Give together

With tools like DAFpay — ApplePay for DAFs, letting you check out with your DAF right on donation forms — and initiatives like DAF Day, you get the personal benefits of inspiration-based & collective giving with the practical perks of a DAF.

The upfront deduction

The size of your tax benefit generally depends on three things:

- 1 The scale of your contributions.
- 2 Whether you're itemizing deductions on your return (instead of taking the standard deduction).
- 3 Whether your contributions are in the form of appreciated assets — which lets you avoid capital gains tax.

Why a DAF qualifies

- 1 All DAFs are hosted by a tax-exempt 501(c)(3) nonprofit (often affiliated with a financial or technology company), which makes the tax benefits possible when you contribute.
- 2 The DAF "host" must take legal ownership of the contribution for it to qualify as a tax-deductible gift.

Making grants from your DAF

A few ground rules make DAFs such a powerful, committed giving tool:

- ✓ You can never withdraw funds for personal use — even at a penalty. Funds can only leave a DAF as a donation to an eligible organization.
- ✓ This commitment is exactly what makes DAFs so powerful for philanthropy.

Making a gift from your DAF is technically a **"recommendation"** the provider approves. Approval depends on:

- The organization being in good standing with the IRS.
- The organization not falling into ineligible categories (e.g. political 501(c)(4)s).
- The gift being for "appropriate use" with no personal benefit to you — auction items, tickets, and gala tables are not DAF-eligible.
- Any additional values-based criteria an individual provider may have.



There's no federally-mandated payout rate, but most providers limit inactive accounts — so once you set up your DAF, take full advantage of it and grant regularly!



PART TWO

Determine your goals

You don't need everything figured out to open a DAF — the most important step is to get started. But knowing what matters most to you helps you pick the right provider. Use the **MATCH** framework.



Minimums

Does this DAF serve the scale of my giving?



Alignment

Does it align with my values and focus?



Tools

What is the experience to set up, manage & give?



Cost

What fees are associated with my DAF?



Holdings

How can my DAF assets be invested?

Does this DAF serve the scale of my giving effectively?

Some DAFs have minimums you'll want to consider:

\$ The minimum account size (\$0 – \$100,000)

\$ The minimum grant size (\$18 – \$500)

If you're starting smaller, or like to make frequent smaller gifts, prioritize DAFs with lower minimums. If you're contributing large amounts or tend to make larger donations, minimums won't be as in-focus for you.

ASK YOURSELF

What do I expect my typical donation amount to be?

How much of my budget do I want to allocate to my DAF for giving this year?

Does this DAF align with my values and my focus?

The power of your DAF is in your giving and in your invested assets. Consider both — where your DAF lets you grant money, and the value generated to the provider itself.

Many DAFs are affiliated with a specific cause area, religion, or even a single nonprofit. These "single-issue" providers sometimes do further diligence beyond DAF-eligibility — checking whether an organization is values-aligned, and rejecting requests in conflict with their values as a service to fundholders.

If you're focused on location-based philanthropy and want your giving and assets to serve a local community, most **community foundations** offer DAFs that serve this purpose well.

ASK YOURSELF

Is there a cause or community I'm most passionate about that I want my assets to support, in addition to my giving?

What kind of philanthropic guidance do I need?

What's the experience to set up, manage & give?

Your DAF is accessible via an online portal where you manage contributions, investments, and gifts. Useful features often include:

- ✓ Setting monthly or annual recurring grants
- ✓ Setting goals or recurring contributions
- ✓ Exploring & discovering new organizations
- ✓ A mobile app or mobile-optimized experience



Most DAFs are connected for **DAFpay** — an express checkout that lets you initiate grant requests directly on nonprofit donation forms, websites, and campaign pages where you're inspired to give.

ASK A PROVIDER

What's onboarding like — how long does it take and what paperwork is involved? Which features are most popular? Are you connected for DAFpay?

What are the fees associated with my DAF?

The most important thing here is **transparency**. Like any financial product, there are costs to providing the technology, support, and investment capabilities for your DAF.

The most common structure is a simple management fee on assets, but there can be other membership or transaction fees as well — especially for contributions of complex assets.

ASK A PROVIDER

What are the fees associated with this DAF account?

Do the fees change for accounts of different size or type? For different types of contributions?

How can my DAF assets be invested?

Investment options vary greatly by provider and account size — more creative options are often restricted to larger accounts. A few structures may interest you:

 **ESG options** (Environmental, Social, Governance) so your investments have a positive effect, much like your giving.

 **Advisor-managed:** many providers let your existing financial advisor manage your DAF investments alongside your other assets, for continuity and trust.

 **Impact investing** outside public markets — nonprofit loans and private company investments.

Some providers limit options to a specific list of ETFs, or invest assets centrally across funds; others allow a broad range. Understand your expectations for investment options and involvement, and ensure they align with your chosen provider and account size.

ASK A PROVIDER

What's the range of investment options? Can an outside advisor manage my account? Are options restricted by account size?

Put MATCH to work

As you talk to providers, capture your priorities and their answers side by side.

Category	Priority (1-5)	Key question	Provider's answer
M Minimums		Account & grant minimums?	
A Alignment		Values & guidance fit?	
T Tools		Portal, app & DAFpay?	
C Cost		Fee structure & transparency?	
H Holdings		Investment options?	

Find the right provider for you

1,150+

DAF providers in the
U.S. to choose from

Folks often consider a DAF that's connected to their existing brokerage, based in their community, or meeting a specific need. Three common starting points:



Your brokerage

A charitable affiliate of the financial institution you already use.



Your community

A local community foundation that serves giving in your area.



A specific need

A cause- or values-specific provider aligned to your focus.

Get ready for DAF Day 2026

Check back soon for the DAF providers that are Official DAF Day Partners. Set up your DAF before **October 8th** to be part of the movement.

[Visit dafday.com](https://dafday.com) →