

# 5 Steps to Connect with DAF Donors

Donor advised funds are more popular than ever. These giving tools can hold great opportunities for your nonprofit.



Donors who use donor advised funds (DAFs) to coordinate their giving can forge strong, lasting partnerships with nonprofit organizations.

DAFs are the fastest-growing philanthropic tool in the country, and they facilitate many different forms of tax savings that enable donors to give more to causes they love.

Just like any other donor, DAF donors will give first and foremost because of your mission, vision, and impact. However, there are things you can do to make your nonprofit more welcoming to donors who would like to support your work through their DAF.

## What is a DAF?

A donor establishes a donor advised fund (DAF) by making a tax-deductible donation to a qualified 501(c)(3) DAF sponsor like The Signatry.

The sponsor has legal control over the dollars in the fund, and the donor has advisory privileges to recommend how those dollars are granted out to other nonprofit organizations over time.

When your nonprofit receives a DAF grant, the DAF sponsor is the sender—but an individual has recommended the grant. Often, that individual will be named in the grant notes.

# First, identify and engage your current DAF donors.

Who currently supports you through a DAF? Check to see what donations you have received from DAF sponsors like The Signatry. These donations will usually include the name of the donor who recommended granting to your organization.

Begin treating those donors as major donors. Whether or not they currently give at that level, these are individuals or families who have committed to being generous and often have the capacity to give more.

When you talk with DAF donors, here are some conversation starters we recommend:

## 01 — How are current events or changes in their own lives affecting them?

Their family? Their work?

## 02 — Share your perspective on developments in your cause area.

How have current events affected your work?

Be transparent about rising costs or other new difficulties you may be facing.

## 03 — Challenge them to invest differently.

Now is the time to plant the seeds for noncash giving.

Have they ever given appreciated stock? Do they have an upcoming business or real estate sale that could include a giving strategy?



When you receive a gift from a DAF, be sure to thank the donor. You will not need to send them a tax receipt, but they should receive all other communications from you. Express your appreciation for their support.

## Next, position your nonprofit to welcome new DAF donors.



Make DAFs a clear option on your website and other communications.

Include verbiage on your giving page about the opportunity to support your work through a DAF. Any response vehicle used alongside an appeal should share this reminder.

Consider adding a separate page explaining how to recommend a gift to your organization through a DAF.

Or, include instructions for DAF grants in your appeals. See two examples below:

### Example 1:

Donor advised fund (DAF) donors, please check "DAF" as method of payment and list the DAF sponsor. We will contact you in the next 2-4 days.

### Example 2:

Do you want to invest in this work? Consider recommending a grant from your donor advised fund (DAF).





## Display the information DAF donors and sponsors need.

When a donor recommends a grant to your nonprofit, they must provide their DAF sponsor with information about your nonprofit. This includes the following:

### 01 — Contact information. Try to display this in multiple, easily accessible spots on your website.

- a. Name of the person to contact with donation-related questions.
- b. EIN information
- c. Phone number
- d. Email address
- e. Mailing address (and physical address, if different)

### 02 — The exact organization name to use.

Under what name are you listed with the IRS? List both the name you're known by and the legal name.

### 03 — The name to put gifts to the attention of.

This can be a department, person, or both.

### 04 — Your EIN and proof of your IRS nonprofit status.

Link to your Guidestar/Candid profile for extra clarity.

Make sure to update your Guidestar/Candid profile. This makes it easy for DAF sponsors who may be processing your grants to access all the information they need.





## Evaluate your systems.

Be certain you have a system in place to serve DAF donors well. Remember, you won't receipt donors because they have already received a tax receipt from their DAF sponsor.

Establish a hard credit/soft credit system:

- Hard credit: Attribute the gift from the DAF sponsor, and...
- Soft credit: Record it as a gift from the individual donor
  - This will help with thank-yous and future communication with your DAF donors.

## Connect with DAF sponsors, too.

If you haven't already, reach out to DAF sponsors you've received grants through and provide your ACH information. This ensures much more secure, efficient receipt of any future donations.

Explore other tools and guides from The Signatry (and other sponsors!) for more tips to engage with donors well. The Signatry offers several free guides for nonprofit leaders who want to take their fundraising to the next level.

Find them all at: [thesignatry.com/resources/](https://thesignatry.com/resources/)

### Recommended resource: Complex Asset Gift Guide



Do your donors know they can support you through their business or property?

Learn how to talk with donors about this opportunity, and how you can prepare to accept noncash gifts.

