



American Endowment Foundation

# Granting Guidelines

At American Endowment Foundation, we approve most grant recommendations to US charitable organizations, recognized as 501(c) (3) or similar entities such as churches, religious organizations and governmental institutions. The following guidelines provide direction on how grants from a donor advised fund (DAF) can be used:

## Minimum Grant Amount

AEF has set a minimum grant amount of \$250.

## Incidental Benefits

A grant must be used exclusively for charitable purposes. Donors and their family members cannot receive anything beyond an incidental benefit from the charitable organization to which they made a grant.



Incidental Benefits (Generally OK)	More Than Incidental Benefits (Not OK)
- Coffee Mugs & Keychains	- Tuition
- Intangible Religious Benefits	- Tickets
- Newsletters & Calendars	- Meals

## Charitable Events, Galas and Ticket Purchase (Bifurcated Grants)

Grants from a DAF cannot be used to pay any portion of a donation split into tax deductible and non-tax deductible portions. AEF will not approve the recommendation if the receipt of any benefit (such as attendance at a charitable event) is contingent upon the grant from the DAF as part of a larger donation. The IRS considers the relief of the donor's obligation to pay full price of a ticket/admission to a charity sponsored event a direct benefit that is more than incidental. A donor may make a grant to support or sponsor a charitable event or gala and receive acknowledgement for that support. However, if in exchange for the grant, the charity offers a ticket to the event (such as tickets to a sporting event) or anything more than incidental benefit, the donor must decline it.

## Memberships

Grants may not be used to satisfy the cost of a membership if the membership offers more than incidental benefits to the donor.

## Benefitting an Individual (Missionary Grants)

Grants from a DAF cannot be used to benefit an individual, either directly or indirectly, except support grants for missionaries. If a donor recommends a grant to an eligible charity to support the missionary work of an individual, the donor will be asked to confirm whether or not the named individual is a relative. If the named individual is a relative, the grant recommendation will not be approved. If the missionary is of no relation to the donor, the grant will be approved with a special statement added to the letter. Relatives will be interpreted as the donor and the donor's spouse, ancestors, children, grandchildren, great grandchildren, brothers, sisters and spouses of any of these persons.

## Scholarships

Donors may recommend a grant for a scholarship administered by an eligible charity or school. The donor may indicate the grant is for the recipient of the named scholarship but not designate the specific individual by name. The grant check will be made payable to the organization sponsoring the scholarship for the benefit of the scholarship fund. It cannot be made payable to an individual. The donor and other members of the donor's family may participate on the independent scholarship selection committee but may not represent the majority of the committee.

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## **Fundraising Campaigns**

Donors may recommend a grant for a fundraising campaign for a charitable cause (i.e. walking or biking fundraisers for a charitable organization) where an individual is responsible for the fundraising but does not receive more than incidental benefit from the fundraising. Grants from a donor advised fund to support a “GoFundMe” or similar online giving portal are not permissible.

## **Pledges**

Donors may recommend a grant to fulfill a pledge to a charitable organization, provided that AEF makes no reference to the existence of the pledge when making the grant, the donor does not receive any benefit that is more than incidental on account of the grant, and the donor does not attempt to claim a charitable deduction with respect to the grant.

## **Grants Sent Directly to Charitable Organizations**

All checks will be issued and sent by AEF directly to the charitable organization. Donors may request any check be sent via USPS Priority Mail or overnight delivery, with the fees charged to their donor advised fund. Donors may not deliver grant checks. AEF will continue to advance and implement electronic transfers of funds to get grant dollars to charities more quickly and efficiently.

## **Request for Grant Funds**

Once a grant is approved, AEF will contact the financial advisor investing the account with a letter of authorization (LOA) withdrawal request. The financial advisor will raise the requested cash amount and send it to AEF to pay the grant.

## **Secure Online Portal**

AEF offers a password protected online portal. Individuals with granting privileges will have access to their DAF from the portal site. Grants should be submitted using the online portal to increase efficiency and reduce processing time. Grant history and other useful information may also be found on the site. Grant requests will not be taken on the phone.

## **Dormant Funds**

AEF will review granting history and contact donors who have not made any grant recommendations for the past 36 months or have not submitted a long-term granting strategy to AEF.

For additional information on any topic, please contact Donor Services.

