

DAF Donations

Why Your Support Matters to IDEAS

Your support through a Donor-Advised Fund (DAF) enables IDEAS to create meaningful, sustainable change in underserved migrant communities in Mexico. With your generosity, we provide financial literacy programs that empower individuals to manage resources wisely, increase access to critical tools like credit and savings to support migrant and returnee entrepreneurs in building thriving micro-enterprises. Your contributions help lift families out of poverty, strengthen local economies, and address systemic challenges for marginalized communities.

What is a Donor-Advised Fund (DAF)?

A DAF is a charitable giving account that allows you to:

Contribute Assets: Donate cash, stocks, or other assets to your DAF, managed by a sponsoring organization like a community foundation or financial institution.

Take a Tax Deduction: Receive an immediate tax deduction in the year you make the contribution.

Recommend Grants Over Time: Decide later how and when to distribute funds to nonprofits like IDEAS.

Why Use DAF to Support IDEAS?

Tax Efficiency: Contributions to a DAF are tax-deductible, and donating appreciated assets like stocks avoids capital gains taxes. This allows you to give more without additional financial strain.

Simplified Giving: One donation to your DAF lets you support IDEAS and other nonprofits over time without needing to track individual transactions or receipts.

Flexibility: You can contribute assets to your DAF during high-income years and recommend grants to IDEAS whenever you're ready, aligning your giving with your goals.

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Tax-Free Growth: Assets in your DAF can be invested, growing tax-free to increase the impact of your philanthropy.

Sustained Impact: Your DAF enables you to support IDEAS' ongoing programs and long-term initiatives, creating lasting change in areas like financial literacy, critical resources, and poverty alleviation.

How to Use DAF to Support IDEAS

Set Up Your DAF: Choose a sponsoring organization, such as Fidelity Charitable, Schwab Charitable, or a local community foundation.

Contribute Assets: Fund your DAF by donating cash, stocks, mutual funds, or other appreciated assets. The sponsoring organization will provide documentation for your tax deduction.

Invest the Funds: Work with your sponsoring organization to invest the assets in your DAF. The tax-free growth can amplify the impact of your giving.

Recommend a Grant to IDEAS: When you're ready, recommend a grant to IDEAS through your DAF. The sponsoring organization will process the grant and send the funds to us, making it simple and seamless for you.

Repeat and Stay Engaged: You can recommend one-time or recurring grants, ensuring your support aligns with IDEAS' mission and your personal giving goals.

IRS Requirements for DAFs

The IRS has specific rules governing DAFs to ensure funds are used for charitable purposes:

Qualified Charities: Grants must be directed to eligible 501(c)(3) public charities. IDEAS qualifies as a recognized nonprofit.

No Personal Benefit: Funds cannot be used to pay for memberships, event tickets, or any item that provides a personal benefit to the donor.

Grant Acknowledgment: Your sponsoring organization will send grants to charities and confirm their compliance with IRS requirements.

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Annual Contribution Limits: Donations to your DAF are subject to standard charitable deduction limits:

- 60% of AGI for cash contributions.
- 30% of AGI for gifts of appreciated securities or other non-cash assets.

No Direct Distribution: You cannot use your DAF funds for private foundation grants or non-qualified entities.