



Donor Advised Fund Policy  
September 12, 2025

## Introduction

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This policy outlines the Donor Advised Fund (DAF) program of the Catholic Foundation of Arlington, detailing its benefits and guidelines for donors.

The Catholic Foundation of Arlington is a 501(c)(3) public charity dedicated to supporting the long-term financial stability of parishes, schools, diocesan ministries, and other entities aligned with the Catholic Church. It provides donors with resources and support to facilitate charitable giving. The Foundation operates under the governance of an independent Board of Directors, which reserves the right to modify these policies at any time.

Contributions to the Catholic Foundation are irrevocable and immediately tax-deductible to the fullest extent allowed by law. Donors can contribute to a DAF at their convenience while making grant recommendations to IRS-qualified public charities on their own timeline. Donor Advised Fund assets are professionally managed to maximize charitable impact.

All Catholic Foundation activities and DAF participation are subject to the Catholic Foundation's Articles of Incorporation, Bylaws, and policies.

## DAF Policies

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The Board of Directors authorized these policies for administering DAFs by resolution on September 12, 2025. The Board reserves the right to amend them as needed.

A DAF may be established through a gift of cash, securities, or other assets to the Catholic Foundation. Once established, each DAF is owned by the Catholic Foundation and maintained as a separate fund.

These policies aim to:

1. Allow donors to make non-binding recommendations on grants to certain IRS-qualified public charities.
2. Ensure the Catholic Foundation retains final authority over fund distributions to align with its mission and Catholic principles.

## Establishing a Donor Advised Fund

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### Who Can Establish a DAF?

Individuals or families may establish a DAF by contributing in accordance with the Catholic Foundation's Gift Acceptance Policy which is available from the Catholic Foundation.

### Establishment Process

A DAF is established by completing a Donor Advised Fund Gift Agreement and making an initial contribution of at least \$10,000.

A representative of the Catholic Foundation will meet with the donor to ensure alignment with their intent. The Foundation reserves the right to modify agreements as necessary to comply with tax laws.

### Naming a Donor Advised Fund

Donors may name their DAF (e.g., "Smith Family DAF") pending Board approval.

### Primary & Successor Advisors

A donor must designate a primary Advisor to manage the fund, who must be an individual 18 or older. Successor Advisors (up to two) may be named to assume responsibility upon the primary Advisor's death, incapacity, or resignation.

### Publication

While the Catholic Foundation may report the total value of DAFs held, it may choose not to disclose individual DAF names or details in public materials.

## Contributions

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### Irrevocable Nature of Contributions

All contributions are irrevocable upon acceptance by the Catholic Foundation. Non-accepted contributions will be returned promptly. All contributions are unconditional, and no donor may impose restrictions or conditions that prevent the Catholic Foundation from freely and effectively using the assets or their income to further the Catholic Foundation's charitable purposes and mission.

### Accepted Asset Types

Cash Equivalents: U.S. dollars via check, electronic funds transfer (EFT), or wire transfer. Checks should be payable to 'Catholic Foundation' with the DAF name, if applicable, in the memo line.

Publicly Traded Securities: Mutual fund shares, stocks, and bonds.

Other Assets: Privately held company shares, or real estate may be considered on a case-by-case basis.

Testamentary Gifts: Contributions from estates are accepted.

#### Minimum Contributions

Initial contribution: \$10,000

Additional contributions: \$1,000 minimum

Minimum balance to remain active: \$1,000

#### Tax Considerations

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The Catholic Foundation does not provide tax or legal advice, and donors are advised to consult their tax professionals.

#### Investment Policy

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The Catholic Foundation invests all assets following Catholic values as recommended by the United States Conference of Catholic Bishops (USCCB) and in accordance with its Articles of Incorporation, Bylaws, and policies. Investments are professionally managed and monitored by the Catholic Foundation Board of Directors. Funds are pooled for investment purposes, and the gains or losses are proportionally attributed to each individual fund.

#### Grant Making

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Grants must align with the principles of the Roman Catholic Church. The Catholic Foundation reserves the right to decline grants to organizations that do not adhere to Catholic teachings. Grant recommendations by an Advisor are carefully considered but are advisory only. The Catholic Foundation retains final authority over the use and distribution of all its funds and assets. The Catholic Foundation reserves the right to take actions it deems necessary, at its discretion, to ensure proper distribution of any DAF, including ensuring all grant distributions are used exclusively for charitable purposes in accordance with applicable law.

#### Eligible Grant Recipients

Organizations listed in the Official Catholic Directory

Other IRS-qualified 501(c)(3) public charities (subject to review by the Board of Directors)

## Grant Guidelines

Minimum grant amount: \$1,000

DAF minimum balance: \$1,000

Prohibited grants: No grants that will benefit an individual such as tuition, memberships, sponsorships, event tickets, political contributions, personal obligations, or lobbying.

## Successor Advisors & Fund Disposition

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Upon the primary Advisor's passing, the successor Advisor assumes responsibility. If no successor is designated, remaining funds are transferred to the Catholic Foundation Endowment.

### DAF Termination

If a DAF falls below \$1,000 for more than 60 days, it may be closed, and remaining funds transferred to the Catholic Foundation Endowment.

If a DAF has no deposits or distributions for five consecutive years, its funds may be transferred to the Catholic Foundation Endowment.

## Fees & Administration

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All DAFs are subject to administrative fees set by the Board of Directors. Policies are available from the Catholic Foundation.

Donors receive contribution confirmations and periodic reports to substantiate tax deductions. Advisors may authorize third-party access (e.g., CPAs, attorneys) to fund information.

Contribution processing times vary for different asset types. During certain peak periods (November to December 31), contribution processing may take longer.

Exhibit 1  
Template Agreement for creating a new Donor Advised Fund.