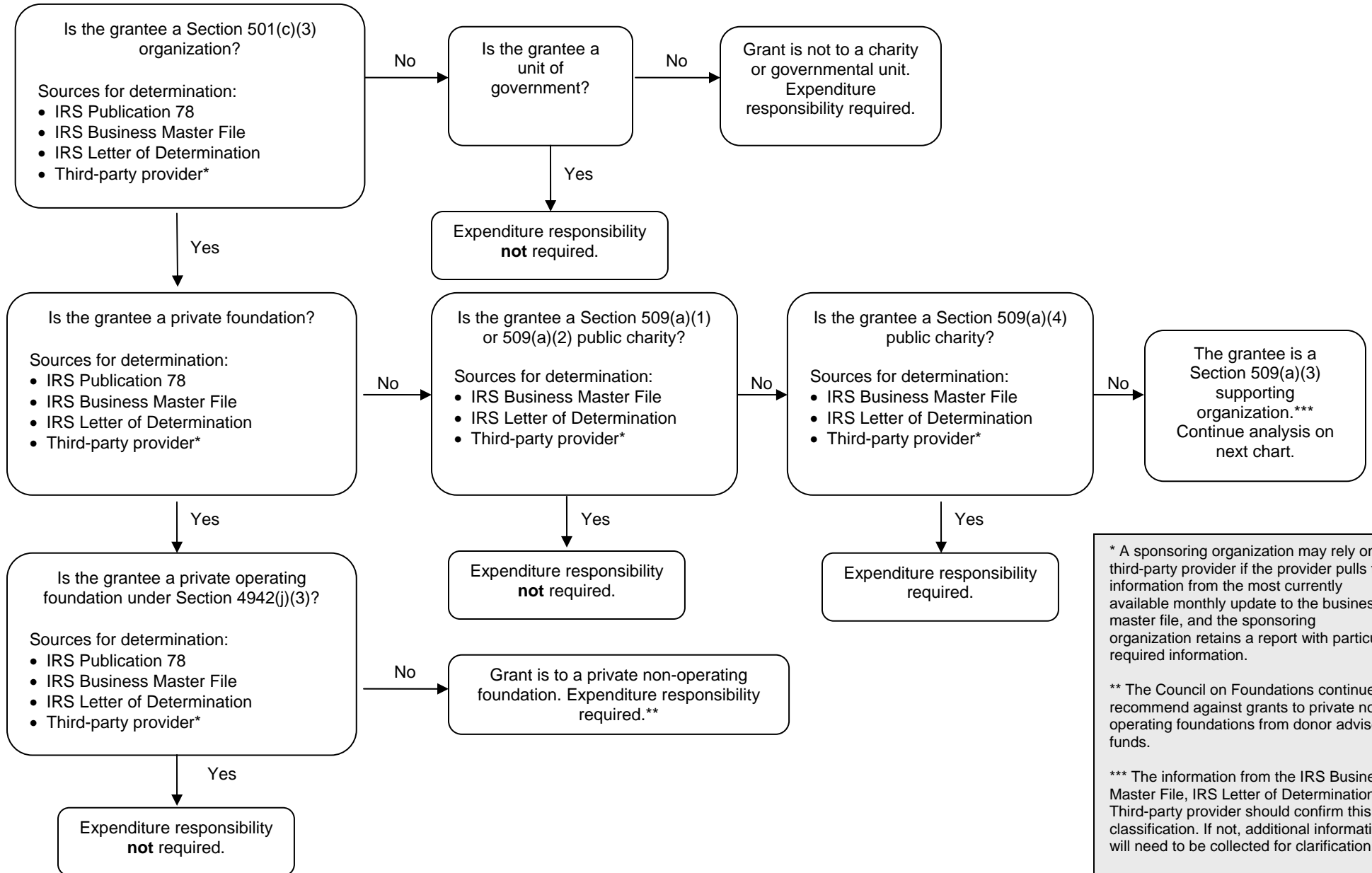




## Grants to Organizations from Donor Advised Funds: Is Expenditure Responsibility Required?



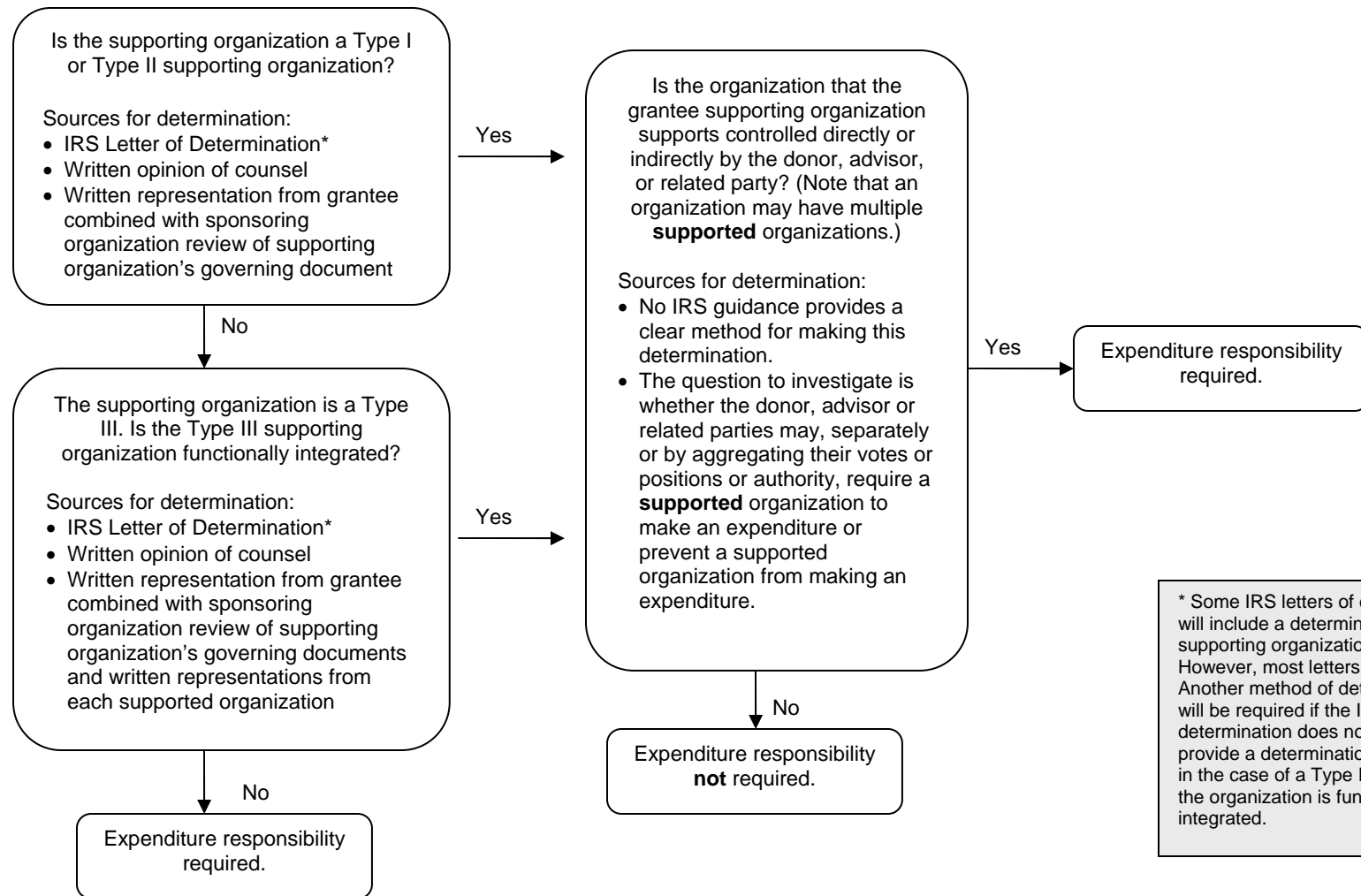
\* A sponsoring organization may rely on a third-party provider if the provider pulls the information from the most currently available monthly update to the business master file, and the sponsoring organization retains a report with particular required information.

\*\* The Council on Foundations continues to recommend against grants to private non-operating foundations from donor advised funds.

\*\*\* The information from the IRS Business Master File, IRS Letter of Determination or Third-party provider should confirm this classification. If not, additional information will need to be collected for clarification.



## Grants to Section 509(a)(3) Organizations (Supporting Organizations) from Donor Advised Funds: Is Expenditure Responsibility Required?



\* Some IRS letters of determination will include a determination of supporting organization Type. However, most letters will not. Another method of determination will be required if the IRS letter of determination does not explicitly provide a determination of Type or, in the case of a Type III, whether the organization is functionally integrated.

The information provided here is based on our continuing analysis of the Pension Protection Act. Every effort has been made to ensure accuracy of these documents. Please understand, however, that due to the complexity of the law and the fact that many of these provisions introduce issues that are new to the Internal Revenue Code, this information is subject to change. The information is not a substitute for expert legal, tax or other professional advice and we strongly encourage grantmakers and donors to work with their counsel to determine the impact of this legislation on their particular situations. This information may not be relied upon for the purposes of avoiding any penalties that may be imposed under the Internal Revenue Code.