

# Bifurcated Gifts



To ensure compliance with IRS regulations and to prevent potential penalties for Donors/Advisors and interested parties, Greater Houston Community Foundation will not approve grants that aim to cover any portion of a gift resulting in more than an incidental benefit for an individual. This includes benefits related to fundraising events, like gala table sponsorships, event tickets, 5K race registrations, items at a charitable auction, museum memberships, and the like. In simpler terms, grants cannot be used to pay for parts of a gift that provide the donor or advisor with benefits they wouldn't have received otherwise. If attendance at an event or any other benefit is dependent on a grant from a donor-advised fund account, we cannot approve the grant recommendation. If a Donor/Advisor wants to receive goods or services (like event tickets) from a charity in exchange for a specific contribution, they should make the contribution directly, without involving their donor advised fund.

## Example 1

*Some charitable organizations promote giving levels. A \$2,000 level (for instance, "Platinum Sponsor") allows the Donor/Advisor to enjoy about \$600 worth of benefits and \$1,400 goes to support the charity's mission. The Donor/Advisor cannot recommend a \$1,400 grant from Greater Houston Community Foundation and fulfill the rest with a \$600 personal check.*

## Example 2

*A Donor/Advisor would like to recommend a grant for \$5,000 from their donor-advised fund to support a charitable organization's annual gala. In return for the grant, the charitable organization gives the Donor/Advisor ten tickets to attend the gala. While the Donor/Advisor can recommend the \$5,000 grant from Greater Houston Community Foundation, the Donor/Advisor must decline the tickets in order to make the gift using the donor-advised fund as the tickets would be considered more than an incidental benefit. The charitable organization can acknowledge the donor-advised fund in its advertising materials in an effort to recognize the Donor/Advisor for the general support/recognition of the event.*