



CAUSE CONNECTION

Connecting people who care to causes that matter

A Donor Advised Fund Refresher



Donor advised funds (DAFs) have become one of the most widely used philanthropic tools in recent years. As their use has grown, so have questions about how they work and how to use them most effectively. At its core, a donor advised fund is straightforward: you make an irrevocable charitable contribution, receive a tax deduction in the year of the gift, and then recommend grants from your fund to qualified nonprofit organizations over time.

The assets can be invested and grow tax-free, allowing you to give thoughtfully — and strategically — when the timing feels right.

One of the greatest strengths of a donor advised fund is its flexibility

Some donors use their DAF to consolidate charitable contributions in one year and recommend grants gradually. Others rely on it to respond quickly when community needs arise. Many involve children or grandchildren in grant decisions, creating a shared family conversation around values and impact. A DAF can also simplify more complex gifts. Donors may contribute appreciated stock to their fund, receive the associated tax benefits, and then recommend grants in amounts that are easy for nonprofits to receive and process. Rather than transferring securities to multiple organizations, the fund becomes an efficient giving vehicle.

DAFs offer significant flexibility with important guardrails to consider

Grants must be made to qualified 501(c)(3) public charities. DAFs cannot be used for political contributions, to support individuals directly, or to provide personal benefits such as event tickets, membership benefits, tuition payments, or other goods and services. In addition, qualified charitable distributions (QCDs) from an IRA cannot be contributed to a donor advised fund.

At LVCF, we ensure that grant recommendations comply with IRS regulations and align with charitable best practices. We are always glad to answer questions before a grant is recommended.

The organization sponsoring a donor advised fund can shape its impact

Donor advised funds are available through both commercial providers and community foundations. While the mechanics may appear similar, the context can differ meaningfully. At a commercial provider, a DAF is typically one account among many, managed at scale and often disconnected from a specific place. At a community foundation, a DAF operates within a broader ecosystem of local knowledge, nonprofit relationships, and civic leadership.

At LVCF, we are deeply engaged in understanding the needs and opportunities across the Lehigh Valley. We convene nonprofit leaders, monitor emerging issues, and maintain ongoing relationships throughout the sector — giving fundholders the benefit of local context alongside convenience.

IN THE NEWS

Angela Connell Joins LVCF Board of Governors

Angela Connell, MBA, MSHRM, PHR, SHRM-CP, joined the Foundation’s Board of Governors in January. She serves on the Foundation’s Community Engagement Committee.

Angela is a human resources executive with more than 20 years of experience aligning people strategy with organizational growth across manufacturing, media, healthcare, and international business environments. She currently serves as Chief Administrative Officer at HNL Lab Medicine, where she leads enterprise-wide human resources and organizational development strategy.



Previously, Angela was Founder and Principal Consultant of Advantage HR Solutions, where she served as a fractional CHRO and strategic advisor to executive teams across the Lehigh Valley and beyond.

Angela holds a Master of Business Administration and a Master of Human Resources from Moravian University, and a Bachelor of Science degree from West Chester University of Pennsylvania. She is professionally certified as a PHR and SHRM-CP. Her community involvement includes service with United Way, Community Action Lehigh Valley, Generation Next, and Project of Easton’s Women’s United Lead initiative.

Assets held here remain dedicated to charitable purposes in this community, and if a fund transitions into legacy status, those resources continue supporting work in the Lehigh Valley for years to come.

A donor advised fund is, at its core, a flexible giving tool. Where it is held can shape how connected that tool remains to the community it ultimately serves.



Beyond the Check:

Experiencing Your Philanthropy

Lately, we've been hearing a version of the same question from donors: How can I feel more connected to my giving? Writing a check to an annual campaign or attending events and meetings matters; but for many people, something still feels missing. They want to see their impact up close. They want their philanthropy to feel personal and tangible, not just transactional.

For many donors, the motivation isn't about tax advantages or financial strategy. It's about having resources they can share. It's about knowing that something they've built or stewarded can make someone else's day, life, or moment better.

At the same time, we hear from people who want to be more involved but aren't sure how. They may be interested in volunteering, learning more about a particular issue, or connecting with nonprofit leaders, yet it can be difficult to know where to begin or where help is truly needed.

This is where a community-wide perspective becomes valuable.

As a community foundation, we maintain a broad and informed view of the Lehigh Valley's nonprofit landscape. We see patterns across issues, understand emerging needs, and convene conversations around community priorities. When our region faced a potential food access emergency, for example, we partnered with the United Way of the Lehigh Valley and brought together nonprofit leaders and partners to share information, assess needs, and coordinate response efforts. That role, as a neutral convener and knowledgeable resource, helps connect philanthropic intent with real opportunity.

Meaningful philanthropy often begins not with a transaction, but with understanding and a willingness to engage thoughtfully in the community we all share. For those who choose to partner with LVCF more intentionally, that broader community perspective can become an important part of their philanthropic journey.



Collective Grantmaking Snapshot

LVCF Grants: December 2025 to January 2026

Together, these grants reflect the collective impact of donor-advised and other charitable funds, supporting trusted organizations.

- **\$4.12 million** awarded through 241 grants to 182 nonprofit organizations
- **8.0%** of total grant dollars provided as general operating/flexible support

Top Issue Areas by Dollars Granted

- Education — **\$2.09M**
- Community & Economic Development — **\$1.29M**
- Arts, Culture & Creative Economy — **\$452.8K**

Top Issue Areas by Number of Grants

- Human Services — **68 grants**
- Community & Economic Development — **46 grants**
- Education — **32 grants**
- **Nearly 96%** of grant dollars stayed local in the Lehigh Valley